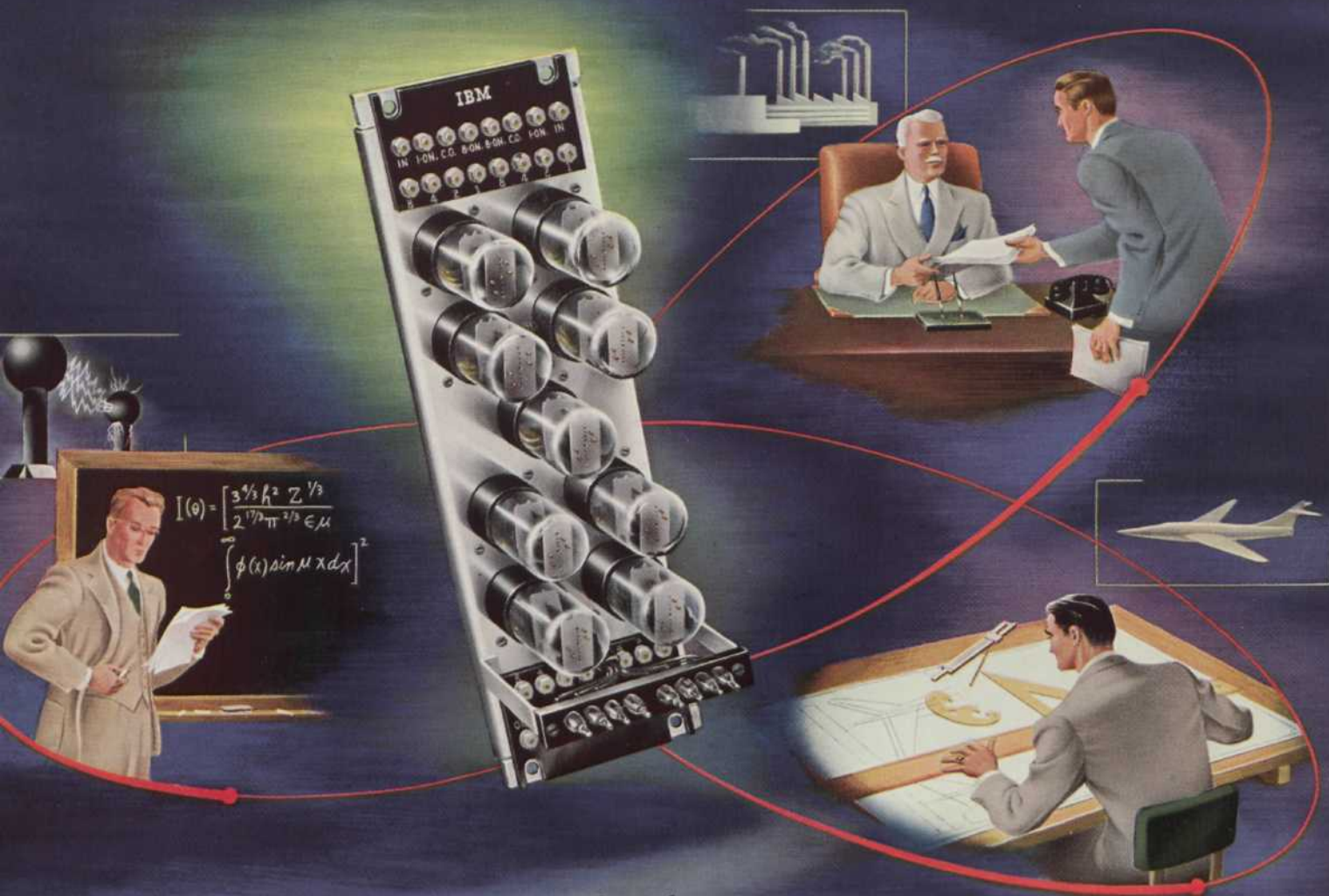


JANUARY 1950

Nation's BUSINESS





ELECTRONICS at WORK . . .

The device shown is the IBM Electronic Counter, basic unit of IBM Electronic Machines which compute arithmetical problems at tremendous speeds.

A BUSINESSMAN needs a report on his company's production and inventory position, and he has to have it faster than ever before.

A SCIENTIST, working in the atomic energy field, needs to know the exact effect of relativistic mass increases in the slowing down of fast electrons.

AN AIRCRAFT DESIGNER needs to determine the theoretical stresses and strains brought about by the use of new-type controls on a jet-powered, supersonic plane.

Today, these intricate requirements and countless others are being met at amazingly high speed through the use of IBM Electronic Business Machines.

IBM pioneered in the application of the science of electronics to business machines . . . machines which benefit everyone through increasing the productivity of industry and science.



INTERNATIONAL BUSINESS MACHINES CORPORATION
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Resources ...



Room ...



Rewards ...

The 3R's of the SOUTH

From these three R's your factory can learn the facts of industrial life:

The first R is for Resources ... the natural bounties that help a plant flourish.

The second R is for Room ... growing room that builds industrial health ... the kind of growing room found all along the 8,000-mile Southern Railway System.

The third R is for Rewards ... already proven on the balance sheets of thousands of new industries in the fast-growing South.

Resources ... Room ... Rewards. You will find them all in your future when you — —

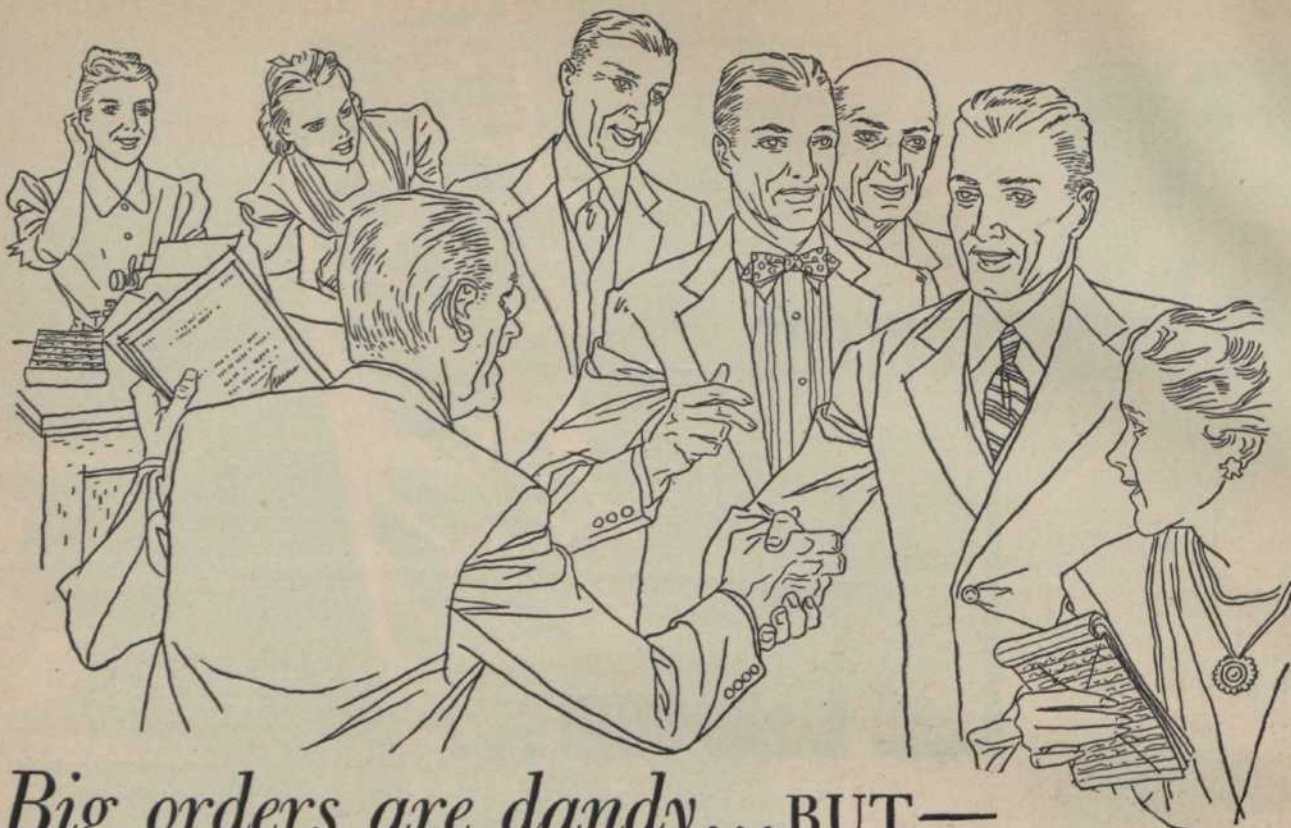
"Look Ahead — Look South!"

Ernest E. Harris
President



SOUTHERN RAILWAY SYSTEM

The Southern Serves the South



Big orders are dandy...BUT—

Last Friday the Hypete office in New York was out to lunch all afternoon, in honor of Os Swheel. Os brought in the biggest order since the War... sold Abchemco two Hypete units for each of its fifty-eight branches.

Hypete's Pres. gave Os a big bonus check, and made a speech, sort of... Now that Os had shown the way (he said), every man in Sales should raise his sights, go after the big companies and the big orders. Peewee orders wasted manpower and order forms. And you remember how the government during the War felt about wasting paper! (Laughter) And so on. A good time was had by all.

Naturally the Pres. didn't tell the boys that it took Os two years—and a whopping extra discount—to land that big order... And Os didn't tell the Pres. that each Abchemco branch authorizes its own purchases, and Hypete's offices could have gotten the business at regular prices from the individual Abchemco branches in their territories!... Also, in view of Hypete's quota of 1,500 units per month, an order for 116 seemed less than colossal!

But big orders from the big companies are impressive—prestige stuff. Though usually they take a long time, lots of calls, manpower

and expense account. The identical effort spent on the smaller companies would show a better volume, and better profit.

According to the U. S. Dept. of Commerce in the year 1947 there were only 7,237 firms employing more than 500 people—*more than thirty times as many* with 20-499 employees! The smaller company involves less competition, less red tape, few call-backs; and a lot of them can be canvassed in less time and with less effort than is required to force a decision from a big company.

Since one firm in five is of postwar origin, and not on old prospect lists... your advertising as well as your salesmen needs to get around more these days!

NATION'S BUSINESS, with 650,000 circulation currently, reaches more prospects in more big and small companies than any other business publication. More than 91% of NB subscribers influence the purchase of the business supplies and equipment in their companies (National Analysts study, 1949)... And big circulation makes a lower advertising cost—the lowest in the business field. It's today's best buy in its field... Call any NB office for all facts.



NATION'S BUSINESS

WASHINGTON, NEW YORK, CHICAGO, DETROIT,
CLEVELAND, SAN FRANCISCO AND LOS ANGELES

1949 Was Another Good Year for Telephone Users



MORE SERVICE FOR MORE PEOPLE— Nearly 2,000,000 telephones were added to the Bell System in 1949. This meant service not only for many people who did not have a telephone before but it also increased the value and usefulness of your own particular telephone. You can call many more people — and many more can call you. There are now more than 50% more Bell telephones than at the end of the war.

BETTER LOCAL SERVICE— The over-all quality of telephone service continued to improve in 1949 and it keeps right on getting better. There's faster, clearer, more accurate service on millions of local calls.



IMPROVEMENTS IN LONG DISTANCE Long Distance grew steadily better in 1949. The average time to complete out-of-town calls is now down to little more than a minute and a half. Nine out of ten calls go through while you hold the line. Over many routes, the Long Distance operator dials the distant telephone direct. It's faster, friendly, courteous service all the way.



275,000 NEW RURAL TELEPHONES

were added by the Bell System in 1949. 1,300,000 have been added since the war — a truly remarkable record of rural development by the Bell System. Great gains were made also in the quality of service. Fewer parties on the line. Many thousands of new-type telephones put in. A higher proportion of our farmers have telephones than in any other country in the world.

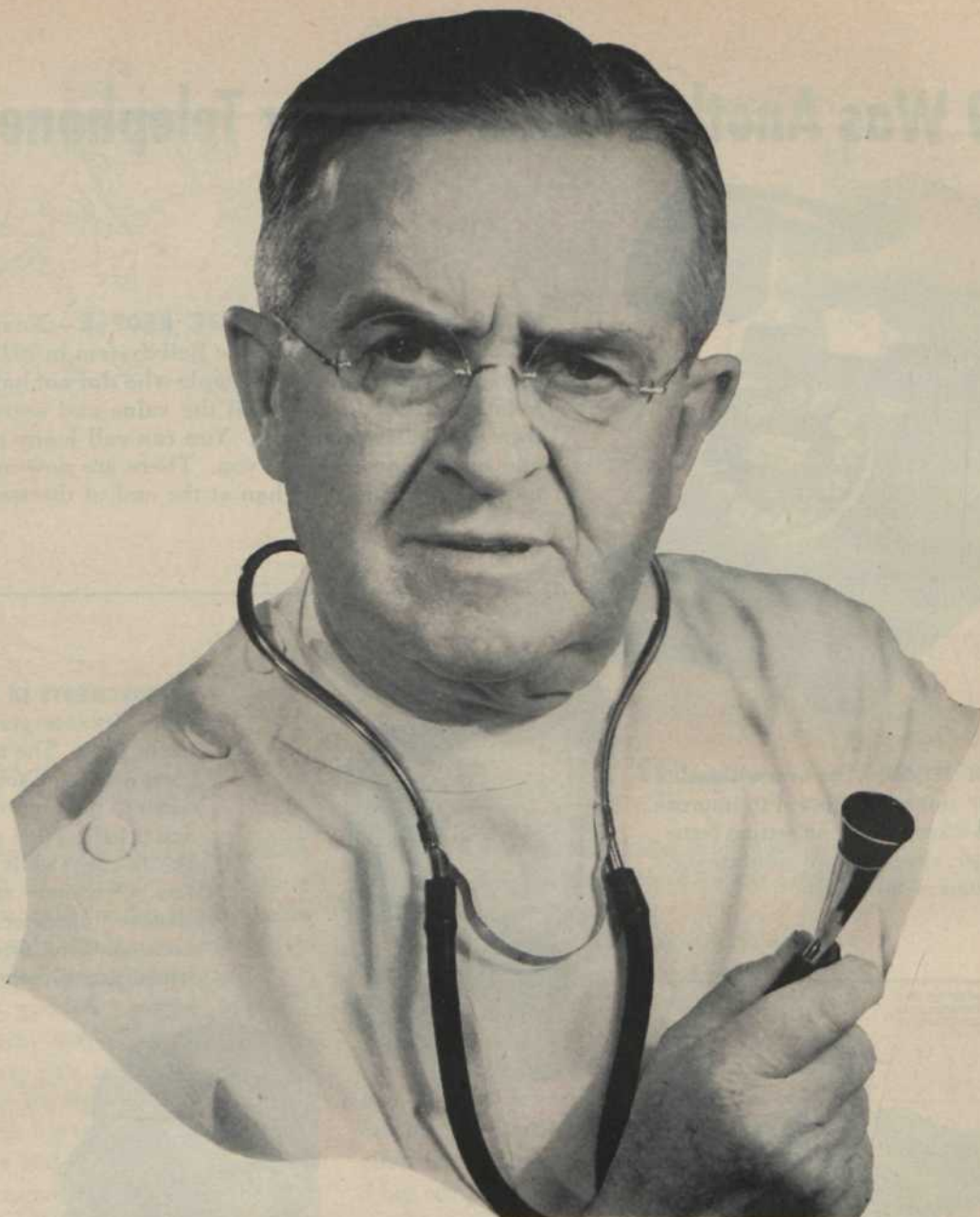
CONTRIBUTION TO PROSPERITY— All of this expansion and improvement in telephone service provided work and wages for many people outside the telephone business.

More than \$1,000,000,000 was put into new facilities. Western Electric — the manufacturing unit of the Bell System — bought from 23,000 different concerns in 2500 cities and towns throughout the country.



BELL TELEPHONE SYSTEM — The best and the most telephone service at the lowest possible price.





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Write for Particulars

You've Got to Spend Money to Make Money

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Nation's Business



PUBLISHED BY

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VOL. 38

JANUARY, 1950

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CIRCULATION OF THIS ISSUE 660,000

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NATION'S BUSINESS for January, 1950

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About Our AUTHORS

UNDOUBTEDLY VERA CONNOLLY, a veteran journalist, is best known for her magazine articles and their results in legislative reform. Years ago her series on the Indians, "Cry of a Broken People," brought about a Senate inquiry and much remedial legislation. Later another series, "The Dope Menace," speeded ratification of the Uniform Narcotic Drug Act. She is also the author of such action-provoking articles as: "Get the Children out of the Jails," which helped to get laws framed in New York, Maryland and New Hampshire prohibiting jailing of children; and "Country Pork Barrel," which caused a law to be passed in West Virginia abolishing the fee system.

Miss Connolly, who makes her home in New York, received her introduction to journalism in 1913 on the old *Delineator*.

ONE DAY in Kansas City in 1926 GEORGE FIELDING ELIOT bought a magazine of war stories, read it and said to himself, "I can write as



good stories with a wartime background as this magazine is printing." So Eliot, who was an accountant at the time, sat down and knocked off a yarn, put it in the mail. In a few

days he got a check for \$100 and a request for more of the same. A short time later he quit his job, has been writing ever since. In 1936 he turned to doing serious magazine articles, mostly on military subjects. It wasn't long before the nonfiction side of his work was taking up most of his time. During the last war Eliot did a daily column for the New York *Herald Tribune*, which was widely syndicated. He was also a military analyst for the Columbia Broadcasting System.

GETTING his first newspaper job at the age of 15, RICHARD TRE-

GASKIS covered sports events at the Peddie School, Hightstown, N. J., where he was a student. From then on until his graduation from Harvard in 1938, he worked for newspapers on a part-time basis. After his graduation he went with the Boston *Sunday Advertiser*, where he became a feature writer, then with the International News Service. He hoped to become a foreign correspondent in Brazil—and he studied Portuguese to that end, but the war broke out and he was sent to the Pacific as a correspondent instead. In the course of his experience there he wrote the best-selling "Guadalcanal Diary."

Anxious to see something of the war in Europe, he persuaded INS to send him there. He witnessed the Sicilian and Italian landings and accompanied the British and American armies as far as Cassino.

Since the war Tregaskis has concentrated on free-lancing.

EXCEPT for three and a half years as a Navy air combat intelligence officer, SUMNER AHLBUM has been in the newspaper business for about 20 years. This lengthy service includes the latter days of high school and all four years at Brown University. Since the war, he has been news editor of the Newspaper Enterprise Association.

Just how model railroading fits into this picture is hard to say, but ride this hobby Ahlbum does. That is, when it is not sidetracked by sailing, his "principal source of nonprofit." Nevertheless, he has an engineer's hat the New York Central Railroad has given him against the day that he can get away to copy the old music teacher who recently rode a locomotive from New York to Westport, Conn., and figured he'd dropped 70 years from his life. After all, it does get cold outside.





Should you continue to pay his salary?

A LITTLE MORE than a year ago, the sales manager of a machine tool concern suffered a broken back in an automobile accident.

He was traveling for his company, calling on distributors in Philadelphia. After a six-week stay in a Philadelphia hospital, he was able to make the trip back in an ambulance. But he is still flat on his back in bed—faced with the possibility that he is permanently disabled.

His company paid his medical fees and hospital bills. And they've continued his full salary until now—even though they've had to replace him with another man.

Now, as time drags on and they're still paying two salaries for one sales manager, the men who run this company must make a tough decision. Should they stop his pay or keep him on the payroll?

That's a tough decision for the head of any business to make, we believe you'll agree. And, it's a tough spot you'll never be in—a decision

you'll never have to make—if you take this step right now:

Call in your Travelers agent or broker and let him tell you about Travelers Business Accident Insurance. With such a plan, your key men are assured that medical expenses will be paid and a weekly income provided in case of a temporary disability resulting from accidental injury. If the injury should result in permanent disability, they're guaranteed an income for life.

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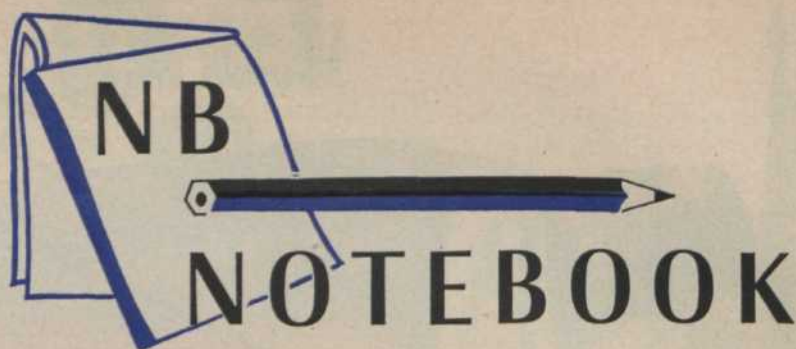
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☐ Literature on "The NEW Executone"

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FIRM.....

ADDRESS.....CITY.....



Shock absorbers

A YEAR ago business forecasters did not have too much trouble figuring out prospects although some of them forgot to remove their rose-tinted glasses. For one thing, there were rather positive signs that the boom had been riding too high, wide and handsome. Prices were too high, inventories were accumulating and banks were clamping down on loans.

In February there was the break in farm commodity prices which convinced some experts that business was on the brink of a nose-dive. They recalled a similar happening in 1920.

There was a healthy readjustment, all right, and industrial production was cut back about 17 per cent from its peak in November, 1948, to the July, 1949, low point. We cross out the steel strike month of October.

What was forgotten was the functioning of certain new shock absorbers in the economy—farm price supports, unemployment insurance, the amortizing mortgage and security market regulation.

These protective devices will continue to operate in the coming year. The costs of some are much too high, but even harsh critics ought to be willing to agree that their aggregate is less than the cost of a major depression. What we need are improved and more economical ways of doing what we are striving to do in the way of taking the bumps out of the business road.

Building boom

ONE prospect business prophets will lean on heavily in gauging 1950 possibilities is construction. In the year just closed an all-time record was set for nonfarm dwellings. The 1949 total of "starts" was nearly 1,000,000 against the previous peak of 937,000 in 1925.

According to a joint statement

of the Commerce Department and the Bureau of Labor Statistics, this year will be another boom year for building. Private construction will run almost \$1,000,000,000 lower but public expenditures will offset this decline. The aggregate of \$19,000,000,000 should equal the 1949 total.

A sharp decline will take place in construction of new industrial plants and facilities because post-war expansion passed its peak last year. The drop for 1950 is estimated at 26 per cent by government agencies.

Some 2,400,000 highly paid workers are engaged in the building industries. To them the prospect of another boom year is a happy one. In fact, some authorities contend it was the jump in building during the second half of 1949 that smoothed out the readjustment period.

Office boy officers

STANDARD OIL COMPANY (New Jersey) is rather proud of the saying that when a director retires, the company hires a new office boy. The emphasis, naturally, is on promotion from within the ranks and also on high regard for its junior help, as *The Lamp*, company house organ, explains.

Ex-office boys are sprinkled liberally in the roster of Jersey executives. Orville Harden and E. E. Soubry are directors. F. M. Balling is president of Esso Export Corporation. H. P. Schoeck is treasurer of Esso Standard Oil Company.

Years ago the recruits came from grammar school. Today high school graduates are the rule and not the exception. The office buzzer may even bring "boys" with college and graduate degrees.

Some 35 per cent of the company's employees on educational leave are office boys, most of them going through college. These leaves are unpaid but company benefits are continued. A night school plan, however, refunds fees up to \$150 a

year when the student completes a course approved by the company.

Unprepared speakers

RUNNING through his mail after two hours spent at a luncheon meeting which discussed the effects upon trade of devaluation, a company official let go a good grunt.

"Well, here it is again," he mumbled, holding up a chart. "We heard the question talked over back and forth and sideways. But nobody had these figures."

The figures, it seemed, were on pie-charts and indicated that some 46 per cent of our exports went to nondevaluing countries and 49.5 per cent of our imports came from similar areas. So when the luncheon speakers were talking about export and import difficulties due to the rearrangements of currencies, they were talking of only half our trade.

The point is fairly obvious. From big conventions to small discussion groups, greater benefits would result from adequate preparation of facts and figures. Maybe each meeting ought to have a Man-with-an-Almanac on hand to lard the oratory with what is needed.

Saving in the office

NEW machines which spin out their calculations in a jiffy are not the only evidence of the efficiency crusade in business offices. Lighting, color selection and fitting desks and chairs to the job and to the employee are over-all improvements that produce substantial savings.

Experts agree, according to the Wood Office Furniture Institute, that the average office worker in average surroundings is not more than 60 per cent efficient. The Institute has prepared a booklet called "Office Planning for Profit" which suggests how attention to the new principles will boost this low rating.

A canvass by investigators, that covered offices employing from 12 workers up to 13,000, evolved the new functional desks and chairs which discard tradition and precedent. A tabulation presented shows how a 69 per cent return in savings on an investment in the new type of office furniture is readily made.

Postage that "pulls"

METERED MAIL—the kind without stamps—now totals about 12,000,000,000 pieces annually or about one third of all U. S. mail. It



**Don't let this
cost you your job!**

**A FLASH OFFICE FIRE . . . VITAL RECORDS
BURNED TO A CRISP, IN SECONDS . . .**

Tough luck for the person-in-charge-of-records who didn't know these facts:

Ordinary wooden or metal files can't be trusted to protect any vital records against fire. Temperatures above 350°F.—common even in a flash fire—cremate papers instantly without exposure to flame . . .



Mosler Insulated Record Containers combine the convenience of a file with the protection of a safe. Available in 2, 3, or 4 drawer heights, letter or legal width—wide variety of finishes.

Suppose your company's records burned!—could you furnish sufficient *proof of loss* to collect on fire insurance? More important, could you duplicate *all* the records your company *must* have to stay in business? **Remember: Some of the most disastrous fires have occurred in fireproof buildings. And 43 out of 100 firms that lose their records in fire, never reopen. So don't gamble with your company's future. . . or your own!**

➔ **GET POSITIVE PROTECTION, NOW!** Install Mosler Insulated Record Containers . . . They provide the constant, on-the-spot protection of a one-hour Underwriters' Laboratories, Inc., Class C, tested and approved safe—plus the convenience of a modern, efficient filing system. Insulated receding door locks over file drawers . . . seals fire out! Yet, it costs so little for this invaluable protection.

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represents \$400,000,000 in postal revenue. More than one half of today's business mail is metered mail. The meters are "set" at the nearest post office on payment of a lump sum.

Pitney-Bowes, Inc., Stamford, Conn., originator of the postage meter and metered mail, maintains that in terms of cost per order or inquiry, the "pulling power" of various postage runs this way:

1, Third class meter stamps; 2, first class meter stamps; 3, first class adhesive stamps; 4, third class printed postal permit; 5, third class adhesive stamps, and 6, third class precanceled stamps.

These ratings are based on mailings reported by independent direct mail advertising agencies and by mail users over many years. The company reports that metered mail is not always best because other factors besides postage may determine results such as prices, customers, quality of paper, etc. It does claim, however, that the table reflects the best judgment and experience of a majority of direct mail advertisers who have been most successful.

Teaching to learn

ON JULY 1, 1929, Dr. Robert Maynard Hutchins became president of the University of Chicago. He was 29 years old. He has now served longer than any other head of a major college.

In a 44 page review of "The State of the University, 1929-1949," Dr. Hutchins who is now chancellor, makes this point in urging adult education as a primary, rather than a secondary, concern of educators:

"What we should do is to give the young as rapidly as possible an understanding of the tradition in which they live, on the techniques of thought and communication and the habits of study. They should then be forced out into the world with the explicit understanding that they have not been educated.

"They have been given the equipment to educate themselves, and this is a process that should go on for their entire lives."

Handling gains

THE Carrier Corporation, Syracuse, N. Y., manufacturer of air conditioning, refrigeration and industrial heating equipment, put \$400,000 over a three-year period into material handling apparatus. A year ago the economies in just one major department of the plant

were sufficient to repay the investment, Cloud Wampler, Carrier president, reported.

This mechanized system of handling raw materials and finished goods was an industrial application. In the field of office operations the new John Hancock Insurance Company building in Boston illustrates how mail and supplies are moved with modern dispatch.

The Lamson Corporation, another Syracuse company, equipped the Boston structure with the longest conveyor system in the world for mail transport. Vertical conveyors move two tons of mail a day. The mail room is cleared of 1,500 pounds of incoming mail in 14 minutes instead of the usual two or three hours.

The cheapest way to handle materials, as it has been pointed out, is not to handle them at all.

Taxes topping food

OFFICIAL figures have still to be issued but it is more than likely that government expenditures—federal, state and local—now exceed the food bill of the nation. In 1948 these two amounts were only a little more than \$1,000,000,000 apart. Some \$52,900,000,000 was spent for food and \$51,800,000,000 for the cost of government.

During the war years, of course, the huge expenditures for munitions upset the peacetime ratios. But in 1929 the cost of government represented only 52 cents of the food dollar. By 1948 the family food bill had jumped 169 per cent and government expenditures 407 per cent.

The rise in state and local government costs has been only 139 per cent since 1929 while the federal bill jumped 1,236 per cent.

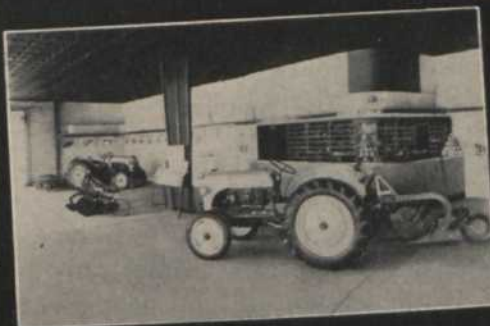
Garnishee policy

THESE days of easier credit and less overtime mean that workers whose eyes are bigger than their pocketbooks are headed into debt trouble. Then comes the garnishee and the company has some extra trouble, too.

Ben F. McGlancy, general manager of the Associated Industries of Cleveland, thought it worth while to find out how member companies deal with their employees when debt becomes a company as well as an individual matter.

The result of his canvass of 30 representative concerns disclosed that the treatment is quite humane. Some 23 companies help employees get out of debt but do

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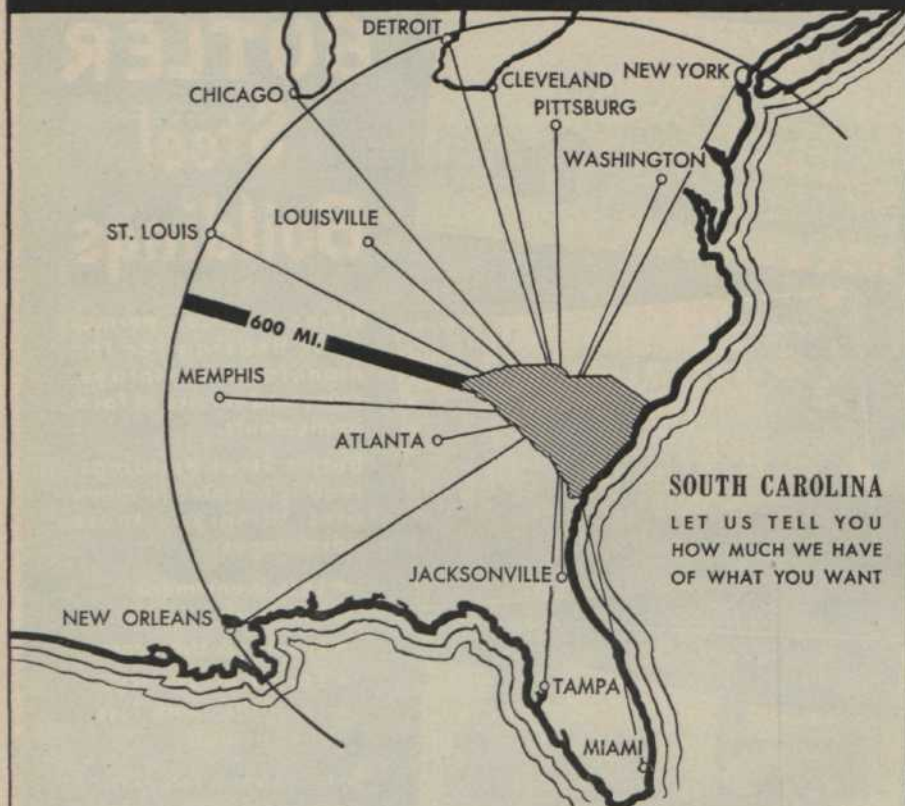
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Swing a 600-mile radius out from any "central" location and compare its inclusion with that of the same radius projected from South Carolina. It will tell you all you need to know about South Carolina's surprising advantage in nearness to markets.

Next door to South Carolina is America's \$-Empire. In this great market there is 43.6% of the total population of the nation; 54.5% of the families; 92% of all urban families. They produce 72.4% of total retail volume.

For details regarding your plant location, telephone (L.D. 94 Columbia), wire, or write Box 927.

L. W. Bishop, Director
Research, Planning and Development Board
Dept. 50 Columbia, S. C.



not discharge. Another five have a policy of discharging the habitual debtor but rarely use it. A final two simply honor the garnishment without discussing the matter. They do not discharge.

"Listen in" on selling

IN A CLOSE-UP of how retail sales are made and lost, use of hidden microphones and wire recorders has revealed several basic faults. Horton & Henry, Inc., employed this technique in a study for the Sterling Silversmiths Guild of America.

Recordings made at retail jewelry counters, showed that half the salesmen made no effort to close the sale. They just waited for the customer to make up her mind. About ten per cent, in fact, were entirely negative and suggested that the customer "think it over" or "come back later."

When a good closing method was used, sales were made in 70 per cent of the cases. The negative scheme produced no sales at all.

This survey also revealed that "suggestive selling" is just a phrase to most sales persons. In nine out of ten cases there was no effort to sell an additional item once the sale was made.

The new technique of "listening in" at the sales counter may bring some objections from the girls who wouldn't like to have their gossip recorded, but to those who are eager to run up their transactions it ought to be welcome. Meanwhile a whole new field may be opened up to the mike and recorder producers.

Started by the starter

AN INTERESTING angle is presented by the Automobile Manufacturers Association to hint at one reason why we have so many more automobiles than they have in Europe. Mass production, of course, was the main reason but the electric starter played its part.

In Europe most of the early cars were chauffeur driven and starters were not necessary. The chauffeurs did the cranking. So the manufacturers did not bother developing their starters.

However, Charles F. Kettering, who became top research man of the American industry, invented his device, and off we went in crankless cars. The women could drive as well as their male critics. The engines could be more powerful. Trouble-free operation, along with ever lower prices, brought in mass ownership.

MANAGEMENT'S *Washington* LETTER

► IT'S A GOOD YEAR—this 1950.

Business rise now in motion will continue. You've heard talk that vets' insurance bonus, steel and coal catch-up, will keep things humming for first half. But then what?

There's nothing now visible that might cause mid-year slump.

Year's production level will range between 175 and 160, on Federal Reserve production index.

That means good times. It means business level about same as past 5 months.

It means a low only a point or so under last July, a year only about 10 per cent under record-high 1949.

► OF COURSE IT WON'T be equally good—or bad—for everyone.

Ask a big auto maker about 1949. He'll say it was wonderful. He set production, sales records.

Ask a soft coal miner. He'll say it was terrible. He spent more than 100 days on strike.

The economy is never uniform.

► WHAT HAPPENED last year?

Business dropped off steadily for first seven months, continuing downturn that followed October, 1948, peak.

Production, employment, personal income, demand for goods all went down.

Prices broke—some badly. A few manufacturing plants closed.

Postwar readjustment was under way.

But at July's end business picked up. A new boom developed. It's still going. What happened?

In the first place U. S. business men had expected readjustment, had been cautious. No tremendous inventories overhung markets.

Buying at manufacturing, wholesale levels dropped below market demand, even though this demand was diminishing.

So necessary replenishment of over-depleted inventories brought new orders—and a new psychology.

And the Government stepped in.

It pumped millions of dollars into the building industry through its various loan and guarantee agencies.

Federal National Mortgage Association alone poured credit into the economy at the rate of \$100,000,000 a month.

► ECA stepped up its distribution of

money (70 per cent of it goes to U. S. business for goods) to a rate of \$1,200,000,000 a quarter—twice the average of its first three quarters, in 1948.

The President let it be known that he would not press for more taxes—and the country felt \$4,000,000,000 richer.

Regulation W, the consumer credit restriction, was abandoned—and credit sales jumped \$250,000,000 a month.

The Government's easy-credit policy swept throughout the economy.

► RECESSIONS COME when things look best. That's when groundwork is laid.

Optimism can result in overestimating the market, in overbuying, overstocking, overpricing.

This is not intended to indicate belief that recession is on the way.

So if 1950 is good to you, remember it's also setting a stage.

► TAKE ADVANTAGE of competition.

There will be more of it this year. Many business men think of competition as a disadvantage. It may not be. Look it over carefully to see what you can get out of it.

The fellow who sells to you also has more competition. See what you can make of that.

Re-examine your inventory level, your credit arrangements—both may offer ways of doing business on the other fellow's dollars instead of your own.

You're in better position in a competitive market to get the kind of packaging you want, to get greater supplier participation in advertising, to get merchandising assistance.

If you were in business back in 1938—not a bad year but a highly competitive one—think back over the things suppliers did then to get you to sell or use their lines.

They'll start doing some of those things again this year.

► DON'T UNDERESTIMATE labor's role in this year's elections.

Both AFL and CIO have national organizations already at work—10 months ahead of elections—to put in office congressmen friendly to labor.

AFL's League for Political Education and CIO's Political Action Committee

send weeklies to their members.

AFL's five-nights-a-week radio program goes on the air this month.

Program will be broadcast in 18 major cities—and in at least 130 more cities three nights or more a week.

It's a news commentary program—the news as AFL sees it.

Through its political organization AFL is asking \$2 for campaign fund from each of its 7-8,000,000 members.

CIO's PAC seeks \$1 each from its 5-6,000,000 members.

These national campaigns could produce a total above \$20,000,000, probably will raise about \$2,000,000 since contributions are on voluntary basis. Taft-Hartley prevents political assessments.

AFL League plans organization in every state, every congressional district.

In districts where there are no union locals League will barter with farm groups, offering labor support of farm policies in industrial centers in return for farm support of labor favorites in farm areas.

► OTHER POLITICAL NOTES:

James S. Kemper, Republican National Committee treasurer, threatened to hand in his resignation if party treasury fell below \$125,000.

It did.

He did.

The Old Farmers Almanac, 1950: Election, Nov. 7, Tuesday—Democratic.

► STRAW IN THE WIND Dept., farmer-labor coalition division:

Farmers in Rutland area of England suggest that all industry, including agriculture, return to prewar working hours with no wage rise to reduce production costs.

► NATION'S HUGE auto manufacturing industry will make strong effort to hold its 5,000,000 unit market this year.

So you may look for cuts in prices.

Lower price tags will come from profits squeeze, rather than lowered costs.

Dealers' experience last year was first step in process:

They gave longer trades, moved cars at less profit per car.

Second step in process: thousands of firms supplying carburetors, bearings,

glass, hundreds of other components to auto makers will do same thing—shave profits to cut price.

And records of big auto makers' earnings show they can afford same step.

Total result: sizable change in car pricing.

Note: Lowered earnings need not necessarily mean lower dividends. They could mean lower reserves, lower expenditures for postwar plant.

► U. S. HAS AT LEAST 11,600,000 acres of surplus farm land—probably much more.

That's according to Department of Agriculture's acreage allotments.

It's all good, productive farm land. In fact it's too good. That's the trouble. It's been producing too much.

In allotting acreage, Department has chopped 20 per cent—5,000,000 acres—off cotton and 6,600,000 acres off wheat.

At same time Department of Interior is carrying on reclamation programs—to reclaim more farm land.

By building huge dams and irrigation systems, this Department will supply water to millions of acres now arid or semiarid.

Commerce Department estimates reclamation program will cost \$900,000,000 this year.

All of which suggests that Secretary of Agriculture Brannan and Secretary of Interior Chapman ought to get together.

That shouldn't be difficult.

Both live in Washington's fashionable Westchester Apartments.

► FEDERAL INFLUENCE on business level is demonstrated by construction industry.

Commerce Department estimates 1950 construction will total \$19,250,000,000—same as in 1949.

Let's look beyond that total:

Private construction will run about \$6,500,000,000.

Government will finance, or guarantee loans, on half of that.

Public construction will total about \$6,150,000,000. Government will finance all of that, except for some state and local improvements.

The rest is farm building, in much of which Government will help with loans or guarantees, and private industrial and utility construction, which will be privately financed.

► BUILDING COSTS will hold steady, possibly go a little higher, this year.

Although private residential building will drop about 7 per cent in volume (Commerce estimate), public building

will rise 18 per cent. Combined demand will keep materials, labor prices up.

► **BASIC SIMILARITIES** run through unions' demands for pension plans.

If your plant is not covered by one of the 12,500 pension systems now in force in the U. S., it soon may be. So you might study them.

This, generally, is what unions are asking for:

An "adequate" and uniform level of benefits financed entirely by employer.

Equal voice with management in pension plan administration.

Worker eligibility limited to union members.

Optional retirement after stated length of service—which may not be at standard age of 65.

Benefits for employes severed from payroll or disabled, and for survivors of employes who die before retirement.

In considering pensions from management point of view, watch these points carefully:

Effect on labor cost, which will vary from plant to plant. Study your own particular situation. Don't rely on experience in similar operations. Age of your employes may be different, for example.

Make up your mind—and prepare arguments to support your decision—on contributory or noncontributory plan.

Consider financing—trust fund, self-insurance, annuities purchased through an insurance company.

Check plan to see that it conforms to state, federal laws, tax court decisions. Make sure cost will be deductible.

After you've decided you can finance pension plan, you'll need help from your lawyer, pension consultant, tax accountant, labor relations or personnel director.

Any plan you offer should have advance approval of these experts.

► **THOSE NEW BRITISH** jet air transports are doing more than setting speed and quiet, smooth performance records.

They're also lighting fuses under a program for U. S. government subsidy to cover development of new-type commercial transport planes.

British jet transport builders are wholly government subsidized on development stages.

And U. S. plane makers are two to five years behind them. They estimate it would cost \$20,000,000 to put a jet prototype plane into the air.

Idea for U. S. subsidy for commercial transport development first came forth

MANAGEMENT'S

Washington LETTER

in mid-'30's, failed from lack of support.

President's Air Policy Commission recommended it again two years ago. But nothing happened until last July when bill was introduced in Senate to carry out policy commission's recommendation.

Civil Aeronautics Administrator Delos W. Rentzel testified at hearings on bill that U. S. aircraft manufacturing industry reported it neither needed nor wanted subsidy. That killed it.

But with British jets in the air and U. S. jets on drawing boards, there's new interest.

► **PRESSURE TO DROP** 1½ cent federal tax on gasoline builds up. But it won't prove effective this year.

Gasoline taxes are going up, instead of down.

Sixteen states increased them last year and more will consider increases in 1950. Demand comes from state highway officials.

Last month they asked a whopping increase in highway expenditures—with the increase to be provided from federal funds.

American Association of State Highway Officials says it will take to Congress its request for boosting federal road aid from current \$450,000,000 a year level to \$810,000,000.

They also want current 50-50 federal-state participation shifted to 75-25 for a special fund of \$210,000,000 for interstate road development.

Opposition to both moves will bring battle in Congress.

► **BRIEFS:** Attorney General's trust busters look into use of trade-marks, seek instances of their use to eliminate competition....Less than 10 per cent of Army Air Force officers now on active duty are West Point graduates....State Auditor Joseph T. Ferguson's bid for Democratic nomination for U. S. senator from Ohio is good news to Taft backers. Ferguson is almost sure to get nomination—and Taft supporters say he'll not be hard to beat in election....Now Government will tend to your kids as well as mortgage and old age. U. S. Employment Service will supply baby-sitters. Only they call them "child monitors."

"Look! Our payroll
for 1217 people
completed in one day!"



NATIONAL MECHANIZED ACCOUNTING SAVES TIME, CUTS OPERATING COSTS*

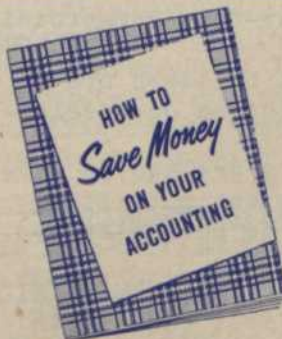
This machine provides 20 totals for payroll as well as 42 totals for analysis work. Payroll — with its increased problems of deductions — is but one of many accounting jobs which National has solved, cutting costs on every job.

A National System is a capital investment that *often repays its costs within a year* — then goes on year after year paying a profitable return

through reduced operating costs.

All businessmen know they must sometimes spend money to make money. And smart management also knows that a capital investment to reduce expenses is as important as one to increase business.

Your local National representative will gladly show you how you can reduce *your* operating costs. No obligation, of course.



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TRENDS



OF NATION'S BUSINESS

The State of the Nation

IN the political year now dawning there is one forecast, of a general nature, that can be made with assurance. This is, that foreign policy, during 1950, will be increasingly a partisan, political issue.

Several factors combine to make this expectation reasonable. Of these the most obvious is the failure of the so-called bipartisan attitude to achieve favorable results in what has become a very important field of national activity.

From China, where communism is completely triumphant, to Spain and Argentina, where Franco and Peron cheerfully survive our official displeasure, the postwar record of American diplomacy is predominantly one of frustration and defeat. The bipartisan foreign policy has been a failure in most particulars and it has also failed in the over-all objective of building an international organization able and competent to keep the peace.

It is of course possible to argue that much of this ignominious outcome is the fault of Soviet Russia. Our leaders trusted Stalin and were double-crossed. But this explanation does not explain why those to whom the conduct of American foreign policy was entrusted could be so easily and thoroughly bamboozled. The machinations of the Kremlin are no alibi for the shortcomings of our own officials. Such an excuse does not hold water for the bank clerk who pays out for a forged check. It does not hold for those who should not be in positions of trust if they are unable to detect fraudulent practice on a grand scale.

Certain analogies between the operating theory of business and government need emphasis, especially at a time when government is more and more concerning itself with functions traditionally reserved for business in this country. Management in corporate business, the Administration in Government, carry primary responsibility for seeing that mistakes are not made and that inefficiency is detected before it injures the interest of the owners, who are the whole body of citizens in the case of our republic. When business management fails in its responsibility, the board of directors must take action, and when governmental management fails there is a similar duty for the Congress.

• • •

It should never be forgotten that close and continuous congressional scrutiny of executive policies and actions was planned by the men who wrote the Constitution of the United States. They were well aware that the dignity of office gives no security against the human tendency to err; and that the more powerful the office, the more disastrous the consequences of executive mistakes. Therefore, provision was made for critical scrutiny of officeholders by the elected representatives of the people. As James Madison expressed it, in No. 51 of the Federalist papers:

It may be a reflection on human nature, that such devices should be necessary to control the abuses of government. But what is government itself, but the greatest of all reflections on human nature? If men



OF NATION'S BUSINESS

control the governed; and in the next place oblige it to control itself.

It is sometimes asserted that, in the field of foreign policy, our Government should not be "obliged to control itself." This is wholly illogical on the face of it, because relations with other governments can affect the lives and fortunes of the citizens more sharply than any domestic issue. So it would be difficult to justify a governmental system which checks executive power in secondary controls, but gives it free rein in matters of life and death to all. Of course such an anomalous arrangement was never intended by the founding fathers, as we know from their care in giving to Congress alone the power "to raise and support armies" and "to declare war."

Nevertheless, we have the saying that "politics should stop at the water's edge." And it was a reasonable cliché, as long as policies also stopped at the water's edge. During the era of isolationism a simple well defined principle governed the conduct of our foreign relations—that of nonintervention, meaning abstention both from "entangling alliances" and from interference in the domestic affairs of other nations. Certain policies followed naturally—indeed inevitably—from the establishment of this principle. One of these was neutrality in the quarrels of other nations, including freedom of the seas for neutral ships in wartime. Another corollary of nonintervention was the formal recognition of all governments competent to maintain order, regardless of their moral or immoral character.

Policies during the isolationist period did literally stop "at the water's edge," in accordance with Washington's advice that: "The great rule of conduct for us, in regard to foreign nations, is . . . to have with them as little *political* connection as possible." And when policy, except of a negative character, stopped short at the coastline, it was proper that politics should stop there too. But this applies no longer.

As soon as the United States adopted an interventionist policy, taking sides in foreign wars, naming some governments "peace loving" and others "aggressive," extending or withholding diplomatic recognition for policy reasons—then it became necessary to carry the play of domestic politics into the international arena. To refuse

were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to

to do so was to deny validity to the two-party system. It was to say, in effect, that party government was outmoded along with isolationism.

But the desirability of a critical opposition in the field of foreign policy is much more than a matter of political theory. Criticism, as we all know, is an essential ingredient of progress in every line of human endeavor. When criticism is withheld, miscalculations are overlooked, unanticipated strains are ignored, and human errors of judgment go undetected.

It could be surmised, even if the abundant proof were lacking, that American foreign policy since the war has failed for lack of critical opposition.

For this outcome the Republican party, or some of its leaders, are in part to blame. Senator Vandenberg and Representative Eaton, respectively ranking minority members of the Senate and House committees entrusted with the review of foreign policy, have too meekly accepted the role of stooges for the Administration in this field. Their service to their country would have been greater if they had demanded a share in the formulation, as well as in the execution, of foreign policy. Indeed Senator Vandenberg came close to admitting as much when he said that to be really bipartisan, Republicans should participate "in the take-offs and not only in the crash landings."

It is because there have been so many crash landings, with so much injury to American prestige and security, that a more aggressive role in foreign policy can be expected from the opposition party during the second session of the present Congress. And President Truman himself has made that outcome the more probable, by his intervention in the recent New York senatorial contest. No Republican had a more active "bipartisan" record on foreign policy than John Foster Dulles. But Mr. Truman labeled him undesirable as a senator, and thereby implicitly urged the Republican party to assume the role of opposition as its present duty, under the two-party system.

Of course an active opposition will not of itself insure a successful foreign policy. Intelligent criticism can always be disregarded by the majority. The famous resolution of Edmund Burke, asking a conciliatory British policy towards the American colonies, was defeated in the House of Commons, Nov. 16, 1775, by the crushing vote of 270 to 78.

But while the spirited opposition of Burke, and Charles James Fox, could not save the colonies for Britain, it did result in a revaluation of policy that preserved the British empire as a whole. In politics, as in every other field, intelligent and forthright criticism is a constructive force. And that is why the statesmen whom history honors, from Cicero on, are never those who were placidly content to say: "me too." —FELIX MORLEY

The Month's Business Highlights

TRENDS



OF NATION'S BUSINESS

YEAR-END statements as to the prospects of business in 1950 show wide differences of opinion among well informed persons. Although those who are confident that 1950 will be a good year are greatly in the majority, the views of those not so optimistically inclined cannot be lightly disregarded.

Taking some of the gloomier views first, precedence must be given the unsatisfactory state of the world situation. Then it is apparent that many believe consumer demand will decline this year. An increase in unemployment seems probable. No one is predicting that this will assume serious proportions, but it will be enough to make consumers cautious in their buying. Although high support prices have been continued for basic crops, the decline in their total income will be enough to influence farmers to use less hired labor, to buy less equipment and less consumer goods. The attitude of the consuming public has more effect on business than any other domestic factor. Those who expect a decline this year in business activity also are influenced by their conviction that demand for capital goods will be materially less. Emboldened by its political victory in New York the Administration is expected to push more determinedly for expensive welfare plans, to press its antitrust activities and to try hard for increased taxes on corporations, all of which discourage business and tend to slow down industrial expansion.

The most disheartening factor of all to business is the prospect of a heavily unbalanced federal budget.

Those who are cheerful about the 1950 outlook base their optimism principally on the demand created by military and foreign-aid expenditures; prospects for record-breaking expenditures for construction; likelihood of another big year for the automobile industry; distribution of nearly \$3,000,000,000 of the accumulated national service life insurance surplus, plus bonus payments in several states; catching up on steel and coal production lost because of strikes; and the favorable outlook for the refrigerator, plumbing and numerous other industries.

Before the end of the year competition among automobile manufacturers will be such that retooling on a much larger scale will have to be undertaken. This will help offset loss of business due to curtailment of capital expenditures by

many other manufacturers. National service life insurance disbursements to nearly 10,000,000 veterans will be in amounts small enough, generally, to encourage spending rather than to promote saving.

Growing unemployment in the industries hard hit by excise taxes is expected to augment the chances for the repeal of those taxes. Increases in railroad fares, together with declining employment, well may pave the way for the removal of the transportation tax. To recoup those losses of revenue the Administration almost certainly would propose some form of tax on corporations.

Marriner S. Eccles of the Federal Reserve Board fears a return of inflation. He is bothered by large military expenses without war. He is for an immediate showdown with Russia. Some of his colleagues accuse him of thinking backward.

When the opinions of those who are more hopeful about 1950 are boiled down, they amount to this: unfilled demands are still large, buying power is great and money is abundant. Government spending, both federal and local, will be large. Inflation this year is unlikely because the equation is not weighted that way. Production will continue high. Relative stability of income and prices is seen.

It is worthy of note, however, that many of those who are predicting a good year warn that downward pressures will grow stronger as the year advances. Imports will increase gradually as exports move in the opposite direction. Pressure of demand will be less acute. The trend expected this year will be sidewise with a dip more likely than a hump in 1951.

The steel strike caused a loss in output equivalent to 10,000,000 tons of ingots. Most of that will be made up in 1950, which insures a continued rise in the industrial index. The dip in the industrial index because of the strike was less than expected. Ordinarily in computing the index of industrial production, steel includes heating equipment, cans and various other steel products. Usually this is a good measure, but since adequate stocks were available, the use of the regular yardstick would have shown no output for plants that were going full blast. By making that adjustment, some seven points were added to the index. In December industry was going again at the pre-strike rate. Final figures on the



OF NATION'S BUSINESS

gross national product probably will show that 1949 was only five per cent or so behind 1948, which means that it was, indeed, another very good year for business in general.

Exclusive of agriculture, capital expenditures in 1949 fell only \$1,000,000,000 short of the \$19,000,000,000 spent in the boom year of 1948, but the trend was downward. A continuation of that decline in 1950 is expected. Much depends on the steepness of that curve. Since considerable industrial construction is still unfinished, it is known that many new plants at least will have to be equipped this year. Higher wage rates and the prospect of increased imports mean more and more turning to the most modern equipment. Nevertheless, it is apparent that the backlog of plant expansion and improvement is running down. Expenditures for equipment are expected to hold up better than outlays for construction. Railroads and mining concerns already have cut their capital outlays. Electric utilities have carried through a big program, but this program is now over the postwar hump. The petroleum industry will run counter to the trend due to increased use of fuel oil for heating, the supplanting of steam locomotives with diesel power and a larger number of automotive vehicles.

The textile industry has been making heavy investments in capital equipment, but the expansion and improvement in that industry is not far from completion.

Failure of the Administration to make both ends meet in a good year continues to be one of the principal subjects of discussion in Washington. A Treasury deficit of \$6,000,000,000 is not tragic in itself. The country can stand it, but when would there be a better time to do a little debt retiring? The time is certain to come when the continued growth of the public debt will disturb the economy. The only immediate hope of reducing government expenditures is in efficiency in operation. The Hoover report is a step in that direction, but its recommendations are being carried out only in part. More savings than are suggested in the Hoover report could be made, but efficiency in the public service is hard to bring about.

Many expenditures, once undertaken, cannot be kept within bounds. Once the Government begins to buy mortgages, to pay benefits or to underwrite certain businesses, increased demands on the Treasury are hard to control.

The new law increasing salaries of government employes can be defended, even in the face of a

deficit, on the ground that the public service must attract able career people. In them lies the hope for greater efficiencies.

Economic aid for Europe is supposed to stop in 1952, but there is no certainty that this will be possible. This country has no idea of allowing the communists to overrun western Europe. It is hoped, however, that the people of Europe understand that the United States in extending financial aid is actuated by no ulterior motives. At best, a creditor is unpopular, but there is evidence that the people of Europe have come to know something of our problems and of our attitudes. Many of them understand that we are not extending aid for philanthropic purposes. Enlightened self-interest is better than philanthropy. It is widely recognized in this country that a collapse of the economy in Europe would end prosperity here.

Excitement over the rumor that devaluation of the dollar was imminent is dying out. It was not the official denials that convinced jittery people. It was the fact that nothing happened. It is like rumors of a marriage. If the marriage does not take place after a certain time the rumor soon loses momentum. That American devaluation would undo whatever good the devaluation did in other countries and that such a step would not be a sensible one seems not to impress some people.

Fear that the cold war may become warmer very apparently is the principal influence behind the support of government bonds, as revealed in recent testimony on Capitol Hill. No one disputes that excessive ease in the money market is inflationary, but a drop of government bonds below par would make refunding difficult and might disorganize the market in the face of an emergency that would call once more for the floating of a large volume of new securities. One of the needs of the situation is a better popular understanding of the problems involved and of the consequences of low interest rates.

Business seems to be heading into a period of reduced profits. While no major changes in wage patterns have taken place, there has been a substantial rise in non-wage benefits. Numerous wage increases have taken place in the smaller plants. While the total of wage increases has been much smaller than during most of the postwar period, they have been sizable in certain industries. The non-wage benefits do not detract from purchasing power, but they have added materially to costs. Capital outlays are in smaller volume. Less in the way of inventory is now needed. This has reduced the pressure on business cash positions. Substantial amounts in bank loans have been repaid.

—PAUL WOOTON

Washington Scenes

THOSE discordant noises emanating from the Capitol mean a good deal more than the groaning start of a new session of Congress.

A new decade in politics is getting under way. For Democrats it marks an historical crest, the start of a third decade of continuous rule.

Despondent Republicans, who never had less to cheer about, can find comfort only in another historical fact. No political party ever served out a third decade in power.

The two-party system in America has been tested for wear. Like the Constitution's own tripartite system of checks and balances, that strictly tradition-built institution never yet failed to checkmate in time the growth of a political dynasty.

Some day, as surely as history repeats itself, the little man with a pencil who decides elections will go into a polling booth, cast a jaundiced eye at the donkey, and vote the elephant back into power.

For good reason, or for no reason at all, he's been doing that sort of thing ever since two other major parties, Hamilton's Federalists and Jefferson's Democratic-Republican party, fought it out for control during the first three decades of American history.

For the American voter has an exclusive right, seldom mentioned in any catalog of political freedoms. He can just "get tired" of the people in power.

Republicans, who have yearned for that "Had Enough" ballot through four presidential campaigns, never returned to a new session of Congress with less hope that the little man with the pencil was getting ready to change his mind.

In all of last fall's local and special elections, there was only one lone Republican gleam. New Jersey voters toppled Frank Hague's disintegrated Democratic machine, pushed Republican Gov. Alfred E. Driscoll back into the governor's chair.

Yet older generation voters can recall how a baffled and decimated Democratic party, 12 years out of power and similarly despairing of any return, found a gleam in the eye of the electorate of one state, magnified it in little more than two years to the largest congressional majorities of recent times.

It happened in Michigan near the start of another political decade.

Republicans had just won the 1930 congressional



sional elections but their House margin was too thin for comfort. Before the Seventy-second Congress was well under way, deaths and special elections to fill vacancies wiped it out.

The special election that enabled the Democrats to elect John Nance Garner speaker, organize the House,

and launch their amazing come-back in 1931, followed the death of Rep. Bird J. Vincent. Vincent represented a long-time Republican beet and sugar district in the Eighth (Saginaw) District of Michigan.

Joseph W. Fordney of Fordney-McCumber tariff fame had represented the district for many years. For 33 years the voters hadn't thought of electing a Democrat.

And yet, in the special election that followed, it wasn't beets, sugar or the then familiar tariff issue that decided the outcome. The voters simply picked a Democratic wet, Michael H. Hart, over a Republican dry, Foss Eldred.

You could speculate at the time that Hart won because he was a wet, or that the business situation was bad. But the fact was that the little man who decides elections, after voting for Republicans for 33 years, was getting tired again.

Other special elections, in Connecticut, New Jersey and other states, confirmed the fact that he had "had enough" of one party, paved the way for the great Democratic upheaval of 1932.

In spite of Democratic funeral orations over the Republican "corpse," despite even the harried G.O.P. quest for a magic formula, that can happen again under our two-party system with or without any prophetic stirrings in either party.

When it happens the man in the booth, for reasons as remote as those that led him to reject a prematurely elected Dewey in 1948, and to send in a one-term Republican Congress during the 1946 meat shortage, will decide.

A brief dip into history shows how firmly implanted is the strictly American idea of two-party rotation in office.

The present extended Democratic reign (the start of the third decade in the House, the eighteenth year in the White House) sets a record for the Democratic party. Democrats never before managed to hold an Administration in office for more than two or three terms.

Republicans themselves topped the present Democratic run with a 24 year tenure (1861-



OF NATION'S BUSINESS

Even that last three-term G.O.P. encore had the Democrats as badly frightened as the Republican party is today. There was the same sad sack talk of the death of the two-party system.

But no major party yet has ever successfully rounded that third decade. The so-called Democratic-Republican party came closest to it during the nation's infancy with a 28 year unbroken run. Both parties as we know them today have been woefully close to disintegration at times, but only two major parties in our history actually disappeared from the American scene. The Federalists vanished in the second decade of the last century and the Whigs, torn by the slavery issue, folded in the fifth.

After each demise, the two-party ranks quickly reformed along much the same lines we have today. Mercurial third parties have come and gone. Some have forced breath-renewing changes in the other two. But only one of the myriad third party movements—Teddy Roosevelt's Bull Moose party in 1912—ever offered any prospect of electing a presidential candidate.

So for all those restless prophecies that mark the start of this new decade, you can lay your money on the two-party system, and rotation in power when the time is ripe. The man in the booth likes it, and the odds are it's here to stay.

Those strange sounds you hear on Capitol Hill as a new session starts simply mean that the system is still working.

Certainly the closing record of the Eighty-first Congress will have much to do with whether the little man suffers another attack of that "tired" feeling when he steps into the booth in November.

One of the things that fatigue him to the changing point are heavy campaign promises, lightly broken.

To deliver the balance of President Truman's "Fair Deal" before election day, Democratic leaders face a job that could weary more than the voters.

Congress itself will have to sit long and late. Added to the normal session-opening frustrations is talk of not one but four Senate filibusters.

The talkfest against the Democratic leadership move to repeal federal oleomargarine taxes will serve as a starter.

More extended talk of the same variety is sure to develop when leaders call up a compromise

1885) during the Civil War and its aftermath. At the turn of the century (1897-1913) Republicans had a 16 year cycle, then returned for 12 more years after World War I.

basing point (freight absorption) bill on Jan. 20.

No session of Congress, and this is no exception, would be complete without a southern filibuster against the Administration's civil rights program. This time leaders have picked FEPC legislation, the most controversial civil rights bill in the heap, to put not only southern Democrats but conservative Republicans on the spot.

The resulting talk should be louder if not longer than ever. If a cloture (debate shutoff) motion fails, the bill will be quickly returned to the rack. Still another talkathon is in the cards when the House-approved bill liberalizing the displaced persons law comes up for another Senate try.

Between filibusters, Democratic leaders will make at least an effort to get through some of the really tough "Fair Deal" bills.

A few samples: Compulsory health insurance (socialized medicine); an all but hopeless second try to repeal the Taft-Hartley Act; House approval of the Senate-passed federal aid to education bill.

Cut costs, the G.O.P.'s 1950 battle cry, may make it harder than ever to maintain the Administration's near-perfect foreign aid record.

Junketing Democrats have joined the Republican clamor for trimming ECA aid by more than \$1,000,000,000. Atlantic Pact military aid faces similar difficulty.

In addition, with the communistic advance in China, Capitol emphasis is steadily shifting from the European area of two-party agreement to our sharply controversial Far Eastern course.

If there is such a thing as an international trend in politics, another G.O.P. campaign issue, which flopped completely in last fall's New York election, could have more telling results in this November of 1950.

That issue, of course, is the Welfare State or what the Republicans are now calling the "farewell state."

The voters of New Zealand and Australia appear to have called a halt to the "cradle-to-the-grave" welfare business. If the coming British election should show the same results, it would mean farewell to the Welfare State here.

Recalling 1948's eleventh-hour upset in the Presidential election, Democrats are beginning to realize that there is such a thing as overconfidence. In the short but scrappy election-year session coming up, Republicans say that the Administration has bitten off far more Fair Deal legislation than Congress can possibly swallow.

All of which explains why the Democratic "ins" are just about as worried as the Republican "outs." The little man with the pencil is trying mighty hard not to look bored.

Time will tell how he will vote.

—EDWARD T. FOLLIARD

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Is America Losing Its Youth?

By GERALD W. JOHNSON

WE TALK grandly of preserving our standards, but this generation demands a piece of the future

ON EVERY hand there are a hundred voices clamorously urging our youth to preserve what America has been and is, to one urging it to consider what America might be. Vital, energetic, aspiring youth is adjured to assume the role of a caretaker, looking after what earlier generations have built, and rejecting any ambition to be a builder itself.

And on every hand there are a hundred voices complaining that modern youth is either dull and spiritless, content to accept the doctrines of statism, or else running off after false gods, lending an ear, like L'il Abner, to the mellow, long-drawn "Shmo-o-o-o-o!" that comes over the water from Moscow.

On every hand, too, gray beards are wagging and bald heads are nodding over the mysterious something that is alleged to have happened to American youth, and never a week passes without some grave citizen addressing a convention of the elders to propose a new panacea. But it is almost unheard of for anyone to suggest that if there is danger of America's losing its youth the trouble may be in what is wrong with the old boys, not with the young ones.

This is not to be construed as a

suggestion that the middle-aged and elderly are deluding themselves with imaginary bogies. We have seen young men spectacularly renouncing American citizenship to become what they call Citizens of the World and their elders call men without a country. We have seen a few joining the communist party, and many joining organizations that, wittingly or unwittingly, serve the ends of communism. We have seen young Americans writing books so filled with cynicism and despair that they might have startled Schopenhauer, philosopher of pessimism; and we have seen such books sell by the hundred thousand, proof that there is something in them that appeals strongly to the younger generation.

Perhaps most serious of all is a development that gets no notice in the newspapers. An instructor in one of our great universities recently put it in these words:

"I believe statism is upon us, all

right, but not on account of anything the Government has done. It is what the war has done. My students have learned to accept orders. Military drill has got into their minds as well as their bodies, and they seem to assume that if in their thinking they march, wheel, right-about-face, stand at attention and salute at the word of command, then they may reasonably hope for \$100 a week and a

Every week somebody has a new cure for the alleged ills of youth





pension at 65, which is the chief end of man. They take it for granted that whatever the Government orders is probably right; but in my student days if the Government ordered it, we assumed that it was probably wrong, and had to be convinced."

He thinks that this quietism is more sinister than a touch of communism, and time was when Americans of the elder generation would have agreed. The Boston merchant prince, Edward A. Filene, used to say that if he had a son who was not a socialist before he was 25, he would disinherit him. He would add that if the boy remained a socialist *after* 25, he would disinherit him for that, too; but he realized that for youth to be discontented with things as they are is not merely normal, but the only assurance of progress.

On the other hand, consider this striking passage in "Letters of William Allen White and a Young Man," a little book that appeared a year or so ago without attracting much attention. White's correspondent was an artist, who frankly confessed that he knew little about

politics and less about economics. But he was young and observant. He took note of what was going on around him; and he wrote:

"Those people who willingly and unselfishly take it upon themselves to do committee work and labor organization work—like that CIO fellow who got beat up—there must be something to what they believe in, which motivates their lives. It must be like a religion, when they can stand up against physical punishment for the sake of what they believe. Their lives have purpose and direction, and when they get into trouble, it makes you feel your own life is pretty wrapped-up, small and selfish, and poorly pointed in no great direction."

Dismiss that with a sneer, if you like, but don't kid yourself—there are vast numbers of young men who will not sneer, because it expresses too well their own feelings. They may not know a thing about communism, but it looks at them with the bright face of danger; and that attracts, rather than repels them.

Recently 11 members of the American communist party were sentenced to five years in prison, each. The middle-aged and elderly may say, "Serves them right," and pass on. But youth all over the land is saying, "Did you ever hear of a Democrat who would risk five years in jail rather than give up his

**The young must be shown
the fruits of democracy**



party? Or a Republican?" So youth inevitably wonders what the communist party has that these other parties do not have.

The irony of the situation is that the true answer is, Nothing, but that youth rarely hears it. Americanism has within it that which, in the past, has produced heroism, devotion, endurance and loyalty surpassing anything the communists have shown. But what voice has proclaimed this quality clearly and strongly, especially in the five years that have elapsed since the shooting stopped?

Young men coming back from the wars have been urged by their elders to protect and preserve something that we call the American way of life. It is a high and noble-sounding phrase, and originally it may have had a sharp and definite meaning but, like an old coin, it has been passed around so much that it is worn smooth, so when we pass it out to a young fellow now he cannot be blamed for looking at it dubiously, wondering what is its real value.

After all, a way may mean a road, or a method, but in either case it is a means to an end, designed either to get somewhere or to get something done. But where we are to go, or what we are to do, is not explained by talk about the American way of life.

Yet this is the whole point, as far as youth is concerned. Youth isn't

running the country now, but it will be soon; so its principal interest is not in where the country is now, but where it is likely to be, or should be, five, ten, or 20 years hence. The leader from whom it will gain inspiration is the one who understands its problem and discusses it intelligently.

This leader is not the industrialist who is avidly interested in higher profits, but not at all in lower prices; nor the labor leader who is strong for higher wages but indifferent to higher production; nor the professional man who is extremely apprehensive lest we forget what Hamilton and Jefferson taught us, but unmoved by the danger that we may fail to learn what Hitler and Stalin could teach us; nor the cleric who is powerful on John Calvin and Ignatius of Loyola, but completely ignorant of what Mohandas Gandhi taught. Least of all is he inspired by the politician who is interested in getting re-elected, and in precious little else.

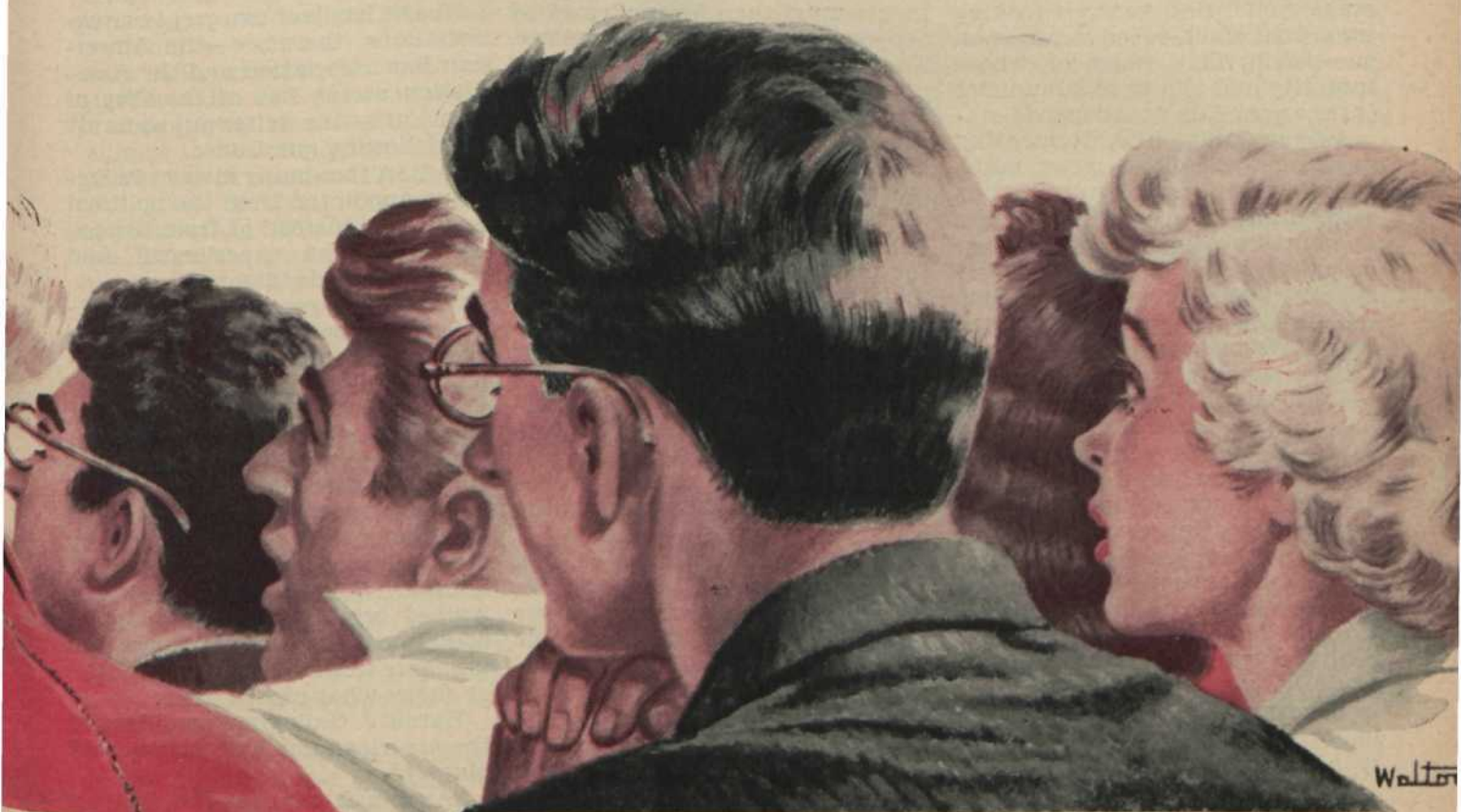
Such men fail to touch youth for the reason that they are interested in the present and the past, while youth's heart is in the future. We talk grandly of preserving democracy and the American standard of living and too often assume that this sort of talk is answer enough to youth's questions. But youth knows that one form of government is preferable to another only

if, and to the extent that, it produces better results. To respect democracy, youth must be shown what democracy has produced; and all too often it has been told, especially in recent years, that the product is the American standard of living.

So in the last analysis we are trying to command the imagination and inspire the loyalty of American youth by urging it to support the form of government that supports the standard of living. The American standard of living, in its simplest and grossest definition, means a fuller belly and a better-covered back than anyone else has. Is this the whole meaning of life? Is this the ideal to which a young man should devote all the passion, all the aspiration, all the vision that is in him? Why the swine go half as far, for they aspire to stuff themselves, and the sheep go all the way, for they are more warmly clad than any human! Is the best that democracy has to offer an ideal so low that it is shared by the hogs and the muttonheads?

If American youth rejects this contemptuously, it is silly to cry out against youth. Place the blame where it belongs—on that elder generation which, although it is heir to a great tradition, offers youth, not the treasure, but the wrappings in which it came. If

(Continued on page 72)



Weak Judges Weaken

By VERA CONNOLLY

WHO ARE the district judges in your federal district? Were they picked for ability? Or are they merely political henchmen being rewarded for past services?

Suppose someone asks you these questions today? What will you answer? Probably you'll say: "I don't know." You may even add: "And I don't care. I've never been in court. I never expect to be."

Naturally you don't "expect" to go to court. No one does. But this is certain—if dire trouble strikes, you, like millions of Americans before you, will turn quickly, hopefully, to the courts of your land to save your home, your business, perhaps your child's future. And if your action is of the type assigned to the federal district courts, that's where you will find yourself—right in the nearest district court, in which you formerly took no interest.

With your heart in your mouth, and everything you hold dear at stake, you'll find yourself looking up at that black-robed stranger on the bench. That judge on whose integrity and ability to administer justice your fate now depends.

As you study him, tormenting questions will flood your mind. Who is this man? Why did they select him? How are these judges appointed anyhow? Had this man actually proved his legal knowledge, honesty and impartial justice—before being appointed? Or was he just "somebody's friend?"

Let's suppose you are there in court to sue the Government. Perhaps a mail truck skidded to the sidewalk and struck your small son, and you need substantial damages to assure him prolonged medical care. Or you may be a veteran's mother, suing for benefits claimed under the National Service Life Insurance Act but disallowed by the Veterans Administration. Perhaps your firm faces ruin because of valuable cargo damaged in a government carrier. Or your land rights may have been seriously infringed by the Government.

What likelihood is there that

THE COURTS of the nation are supposed to be symbols of justice for all. That they may not be is largely our own fault

that man up there on the federal bench will administer impartial justice? Who put him there? How are these candidates picked? Has the private citizen—have you—any check on these appointments? You determine to find out.

District judges, you learn, are political appointees selected primarily by the party in power's state chairman. Their names are submitted to the Attorney General, who investigates and reports to the President. He in turn appoints the judges. These appointments must then be confirmed by the Senate Judiciary Committee. The judges, of whom there are now approximately 197 in the United States are appointed for life, though the wording is "duration of good behavior." They can be removed *only by impeachment*.

Perhaps district judges will always be political appointees. But, the public has a right to demand that the politicians appoint highly qualified men, their best material, not weak, corrupt men or ignorant, aged party hacks. We need men of vigor, wide legal knowledge and court experience, and character, the strength to rise above political pressures on the bench. Are we on the whole getting such men today?

The answer seems to be, No. Rightly or wrongly, there appears to be wide dissatisfaction with our federal district judges. In some areas lawyers complain of partiality due to political obligations. In others the complaints are of legal ignorance and inadequacy. Many judges are pronounced too old and ill to function effectively. Still oth-

er judges, lacking practical court experience because they were appointed from government jobs and not from the general practice of law, are described as confused and floundering.

What is the truth in all this? What is the remedy?

The organized bar is best fitted to answer—and to help. Indeed, a strong bar association in any community, *if permitted to pass on the qualifications of judicial candidates*, is the private citizens' best check on these appointments.

To the heads of two great bar associations, therefore—the American Bar Association and the Association of the Bar of the City of New York—the writer put squarely the following questions:

1. Aren't too many district judges being appointed from the political angle only instead of from fitness, character and experience? And where does this take us?

2. Are bar associations being allowed to check on candidates to a greater or lesser extent than formerly?

These two leaders of the bar gave diametrically opposite answers. One, speaking of the country as a whole and just back from a cross-country survey, described conditions as bad, or at least very spotty. The other, speaking for the Southern District of New York, described bright, increasingly good conditions. One answer shows the immense work to be done; the other shows what can be done.

Harold J. Gallagher, president of the American Bar Association, said bluntly:

"Appointments to the district

Your Rights

bench are far too political. Often the man's qualifications for the job are shockingly lost sight of. For one thing, too many judges are appointed out of government service rather than from the ranks of qualified lawyers engaged in general practice. Let's hope in the future the appointing power will search more thoroughly. Many men of fine caliber and broad experience want the job—would make monetary sacrifices to accept it. Yet seldom is the superior man appointed. Why? Because politicians use these appointments to award party henchmen for their services. And an apathetic public permits it! Actually we, the public, get the kind of judges we deserve. Perhaps we're lucky that they're as good as they are."

Gallagher said that the American people must wake up, obtain from political leaders the names of judicial nominees, then become articulate through newspapers, civic clubs and a strong bar association. The latter must be given time to investigate the nominees' qualifications and report approval or disapproval. Meantime it should submit to the Attorney General its own list of men qualified for the job—later "protesting" any bad appointments. This method may not place the finest men on the bench, at once. But it will gradually tend to do so. And it will keep many undesirables off.

(Incidentally, this month, January, 1950, citizens have a last-minute opportunity to approve or to oppose a number of judicial nominations. The names of 17 nominees for federal district judgeships are before the Senate Judiciary Committee for confirmation. Every citizen can check the record of the candidate who would sit in his own district. If the man is shown to be unqualified, and if the bar refuses to endorse him, the citizen may write to his senators protesting the appointment.)

But now—back to the president of the American Bar Association:

"The very survival of our form

of government," Gallagher pointed out, "depends on the integrity of our judiciary and the average citizen's implicit confidence in it. Any appointment to the bench which lowers this respect is dangerous. Any judge who causes the litigant to think he isn't getting a fair decision but one influenced by political considerations, or even by gross corruption, as once happened right here, is breaking down the form of government we revere and for which most of us would give our lives."

Gallagher's mention of "gross corruption" referred to the late Martin T. Manton, formerly judge of the U. S. Court of Appeals, 2nd Circuit. Judge Manton's story is one of the most shocking in federal bench annals. He is an example of what can happen when a weak man is appointed judge. A bar association check on Manton, in advance of his appointment, might have prevented his assuming the bench. Lawyers can accurately appraise a fellow lawyer and such an appraisal, acted on, is the public's best safeguard against the appointment of ill-fitted men.

Manton was indicted in 1938 for entering into a conspiracy with an acquaintance, whereby the latter was to seek out litigants or parties interested in suits in that court. He would tell each of them that Judge Manton would accept money in return for corrupt judicial action by him favorable to these persons, without any regard to the merits of the case. The indictment alleged 28 distinct, overt acts committed in this conspiracy and par-

ticipated in by the judge. The case was tried before the district court and a jury and resulted in convictions against both defendants.

In the country as a whole, Gallagher said, the views of bar associations on judicial candidates are more often disregarded than accepted, less heed than formerly being paid to them. Nominees whom the bar approves often are not appointed. Those they disapprove frequently are. But, there are exceptions.

Gallagher believes that some day bar approval for "qualifications" will be required of all candidates for the district bench. (Some states now require bar approval for appointment to the state bench.) Another possibility which the association is exploring is a plan whereby old, ill, federal judges—honest men but no longer useful, may be "honorably retired," and others unfit or of grossly questionable conduct may be discharged—all without the long costly process of impeachment.

Meantime the association's judiciary committee continues to report to the Attorney General on the qualifications of all judicial candidates of whom it hears in time. The net results? Very spotty!

But the picture isn't all gloom! There are many bright areas, of which New York is one. Here state political leaders are cooperating increasingly with the organized bar. This holds much promise for the future.

Judge Robert P. Patterson, president of the Association of the Bar of the City of New York, and Whit-



ney North Seymour, chairman of the association's judiciary committee, spoke of this progress with satisfaction.

"For many years," Judge Patterson said, "the bar associations of this area have tried to persuade political leaders and the appointing power to select lawyers who are qualified. Now there is evidence that these efforts are succeeding. In the Southern District of New York, for example, President Truman in October appointed four new judges. The Democratic State Committee chairman consulted with the judiciary committee of the Association of the Bar about the qualifications of the candidates he had under consideration. I am glad to say that our committee found all of the lawyers appointed qualified. We hope this cooperation with the appointing authorities and the political leaders will continue and grow. It is a fine thing—a great step forward."

The appointees he referred to are Irving J. Kaufman, John F. X. McGohey, Gregory F. Noonan and Sidney Sugarman—of whom Kaufman, McGohey and Noonan were on a list of 15 lawyers *previously recommended by the association to the Attorney General*. Also significant is this: it was the association, knowing how congested the calendars of the District Court were, that had urged Congress to create these four additional judgeships in the first place."

Judge Patterson, however, has a warning for the public:

"This effort by the bar to obtain better judges," he explained, "will depend entirely on the aid and understanding of the public. 'It is of immense importance today for all citizens to take a vital, active interest in the appointment of federal judges. These judges are appointed for life. Therefore, the only time to prevent unqualified candidates from getting on the bench is *before the appointments are made*. Private citizens or groups can cooperate in this by making their views known to the local political leaders and urging them to consult the organized bar about appointments. If the political leaders will do this every time, we'll have good judges on the federal bench."

"This is not a matter," he added, "remote from the life of the average citizen. It touches him at every point! Due to Government's increasing control over an infinite variety of things, he cannot tell when this control may infringe his rights as a citizen. If this should occur, the integrity of our federal judges would matter enormously to

him. Remember, the court is all that stands—that can stand—between the public and government. It is the private citizen's only protection from encroachment by overzealous or ambitious officials."

Whitney North Seymour, too, warned of the ever closer relationship between the federal courts and the daily life of the average American. "The federal bench," he said, "is increasingly concerned with legislation and other matters affecting the average citizen. So the appointment of qualified judges is of the utmost importance to every one of us! Mere political appointees are apt to be inadequate; *and they usually lack the impartiality between government and citizen which is the very essence of their function*. We must do everything possible, all of us, to increase consultation between the political leaders and the organized bar—so that lawyers, not selected solely on political grounds, are appointed."

Herbert Wechsler, Columbia University law professor, suggests a four-point program to get the best men on district benches. He advises citizens:

1. Stand up on your hind legs! Never take a weak judge lying down!
2. Get the local bar association to investigate the man and report to the Attorney General.
3. If this fails, and the candidate is recommended and nominated, write to the Senate Judiciary Committee, and to your own senators, opposing the confirmation and explaining why.
4. Get the bar to protest. Get a strong newspaper to campaign. Get your friends to write in. Get some powerful clubs and societies to write the senators. Finally—get a prominent citizen to go to Washington to protest.

"Our constitutional method of appointing federal judges," said Professor Wechsler, "is not in error. The indifferent public is! Our system is based on the assumption that *the community will assert itself when the selections are made*. It is given four chances to protest: (a) at the lower level, including appeals to the senators who represent the area; (b) at the level of the Attorney General; (c) at the level of the President; and finally (d) when the nomination goes to the Senate to be confirmed. Senators are elected officials. As such they are sensitive to the opin-

ion of the electorate within their states. They won't ignore your protest."

"At the local level"—undoubtedly there is where the average plain citizen can function best in this countrywide effort to improve district courts. Every American wants good judges, but often he's not equipped to pass on candidates. Bar associations are! The more we demand bar approval of nominees, the better our judges will be. The bar can even go a step farther—select men of superb qualifications for the bench and submit their names to the Attorney General. This it sometimes does. And that is how a great federal district judge was born.

In 1946 the Association of the Bar of the City of New York, in response to the Attorney General's request for names of qualified lawyers to fill a vacancy on the bench, submitted, among other names, that of Harold R. Medina.

This fact is recorded in the Oct. 15, 1946, report of the association's judicial committee as follows:

"This name is mentioned here because other associations and individuals have since recommended him, and because it is known that certain political leaders have actively resisted his appointment and have sought the nomination by the President of a candidate preferred by them on political grounds. While it is not the normal function of the committee to promote a particular candidate—we have joined with representatives of the American Bar Association, New York State Bar Association and others in strongly recommending this appointment on the ground that, owing to his experience and high standing at the bar—Harold R. Medina deserves our active support."

Thus, selected by fellow lawyers because of his wide scholarship, vast experience in the courts, and integrity, Medina came to the district bench July 1, 1947. *He was not politically chosen*. He had not sought the position.

Medina's name is today a household word across the nation. He is the judge who conducted the recent trial of the 11 communists charged with conspiracy to overthrow the United States Government. (Since the conviction more than 50,000 appreciative letters have come to the judge from all over the world.)

Nothing could illustrate more clearly than this case the importance of having superbly equipped men on the bench.

(Continued on page 70)

The **BATTLE** of the **BUYERS' MARKET**

By **ARTHUR BARTLETT**

NEVER before, most business men seem to agree, has a period of good business, as far as volume is concerned, been such a difficult period in which to make a profit. Costs—and particularly all-important labor costs—remain abnormally high and unyielding. Competition brings increasing pressure on prices. Thus profit margins are caught in a squeeze.

It poses a challenge just as real to individual businesses, if not as universally critical, as the general recession that most people were concerned about a year ago. Proof of this is in the upward trend of business failures, as reported by Dun & Bradstreet. Last September, for instance, failures were 84 per cent greater than in the corresponding month of 1948. Yet that was a month when the recession—if what had been happening earlier justifies that name—virtually had ended, and business was on the upgrade again. Both industrial production and retail sales, according to Department of Commerce figures, increased that month. But it took skillful management to profit by the upturn.

A year ago, business men in various fields were visited for a report in these pages as to how they would react to a recession. Recent talks with many of these same men and others revealed that while some of them found themselves in a recession in 1949, and others didn't, all of them found it necessary to adjust to the new conditions of business. Their views, their experiences and their techniques of adjustment constitute a picture of the current situation, not as seen from an academic ivory tower, but as is.

The president of a large Rhode Island machinery company, recognized as one of the country's outstanding business leaders, recalled that his industry was already in something of a recession in 1948. About the middle of February, 1949, he said, "business took a serious nose dive." He met this situation virtually as he had told this reporter he would, a year ago.

"We curtailed everywhere except in advertising and sales activities," he said. "We kept those going full blast, partly to try to get as big a share as possible of what business there was, partly to be set for the upturn when it came. And now it is beginning to pay off. During the lean months, we did a lot of what we call 'free engineering'—that is, developing ideas for possible special orders, most of which were not placed. But about September, we began to get a pickup in both inquiries and orders. The buying public's temper had changed, and people were starting to plan ahead again and tool up accordingly."

The pickup was still spotty when I talked with

A YEAR ago the author called on leaders in various industries to see how they'd meet a recession. Now he has rechecked with many of the same men to see if they did as they had planned and just how they stand as they enter the new year

him late last fall, he admitted, but he was confident that business would continue at a much higher volume in 1950 than in 1949. "I can't see how it can be otherwise," he declared. "There is still a tremendous backlog of personal and business savings. The slump we had was not because of lack of money, but simply because of uncertainty and lack of confidence. When people buy with too much caution, especially in capital goods, you get a depression."

The buyers' market that has developed, he reasoned, will be an advantage, in one way, to his business. Automobile manufacturers, refrigerator manufacturers and many others soon will have to bring out basic new designs to keep up with the competitive procession, he predicted. This will create the need for much new machinery.

But even with more business, he emphasized, there has to be a profit margin or it's suicide. And whereas pressure on prices became severe as business slumped in 1949, his wage structure continued—and is still continuing—at 250 per cent of what it was before the war, he pointed out.

"And it is not only wages that keep costs rigidly high," he added. "We now have all sorts of fixed expenses that we didn't have in earlier years. Extra bookkeeping to deal with such complicated things as withholding taxes, social security and government red tape in general, and a big personnel relations staff to deal with labor. Lawyers to advise us every time we turn around."

Many of the business failures of recent months,

he believed, were among newer and inexperienced companies which were unable to recognize the dangers of the cost-versus-price tug of war. "They got along fine," he remarked, "as long as almost anybody with anything to sell could sell it at a good price. But when the going began to get harder, a lot of them tried to maintain production by destructive price cutting, without being able to bring their costs down enough to justify it. And that just doesn't work.

"It's tough on the failures," he went on, "but from the standpoint of business as a whole, it is probably salutary. It gets industries shaken down. In our own

THE buying public, as one executive puts it, has been through a complete cycle. During and just after the war, it bought the things it wanted, with small regard for price. Then it swung to the other extreme. Today a new buying picture has come into focus

industry, demoralized prices made the recession a bitter dose to take, but I am sure it was good for the constitution, and that we are now the healthier for it. With many of the sources of our worst headaches eliminated by their own unsound price policies, we'll still have plenty of strong competition, but it will be the kind of competition that makes sense."

What does make sense in this kind of a situation? "Cutting costs here, cutting costs there, and then finding some other place to cut costs," was the way one man phrased the answer which came most frequently. With little hope of cutting wage costs or, to any substantial degree, material costs, I found business men everywhere concentrating on the lesser items that might be cut. Almost without exception, they spoke of analyzing production methods and office procedures, with an eye to greater efficiency. In a California office equipment plant, a slow-motion camera had been installed to spot waste motions on the production line.

In the headquarters of a company owning large department stores in New York, New Jersey, Missouri, Georgia, Ohio and California, the president and treasurer had their heads together figuring out paper costs versus telephone costs in alternative methods of interoffice communications.

"We used to assume that overhead could not be cut enough to make much difference," the treasurer of the department store company explained. "But it's the place where we have to look for most of our cost reductions now. The wage structure, which amounts to 60 or 65 per cent of a store's total expenses, has become so rigid that nothing short of a real depression would affect it. Of course, it is vir-

tually automatic to lay off help when business volume is falling, and to hire more when it is rising; but that doesn't help much when it is dollar volume—because of lower prices—that is falling, without any corresponding decrease in the number of business transactions. The classical formula in such a situation is to increase markups, but you can't do much of that in a highly competitive buyers' market."

The 1949 recession, this man said, had not gone as deep, nor lasted as long, in the department store field, as many had feared. There was a slowing up of business through the spring and summer, and layoffs to adjust to it, he reported, but they were not drastic. "By July," he said, "things did look pretty bad, and everybody was worried that there was more and worse trouble ahead. But in August, business had picked up again, and everybody felt fine. It was just as if a dark storm had blown up and then had suddenly blown over."

The buying public, as he analyzes what has happened, has been through a complete cycle. During the war and just after, it was intent on getting the things it wanted, with little regard to price. Then it swung to the other extreme, and lay back and waited for price breaks. Now it is buying normally, and is simply back to a normal price consciousness, as he sees it.

Prices have declined, he estimates, about seven and a half to ten per cent, taking proportionate dollar volume down with them. In the meantime, however, the costs of doing business have remained abnormally high, by all previous standards, and it has become difficult, he testified, to squeeze out a profit. As further evidence of it, he cited the fact that the industry's trade association was planning to devote three of the five days of its annual conference to cost-cutting problems.

So far, the situation has been met without real signs of distress in the department store field, he said, and there have been few failures of any consequence, though expansion has definitely slowed up. "We look for business to continue good in the months ahead," he said, "though probably with some further price cuts and perhaps some falling off of volume. By watching costs like a hawk—even to such costs as paper and telephone calls—we think we can keep ahead of the game. But the break-even point is much too close for comfort."

The head of a Connecticut company manufacturing machine tools—one of the definite recession industries of last year—reported that his firm practically reached its break-even point during the year, and would probably have slipped over into the red had it not been for some new products that it had introduced as a planned method of offsetting falling volume foreseen in its standard line. Yet before the war it had been able to operate profitably on less than half the volume on which it now just about breaks even.

"We resisted most of the price pressure on our standard line," this manufacturer said. "We could do so without too much danger, except to our immediate sales, because our main product is a specialized one of which we have been the major manufacturer for many years. We sold our new products at a less favorable price, in order to get them introduced and to help pay our overhead. On average, this brought our price level down to about 23 per cent above prewar. But our labor rate is still double what it was prewar. That explains why our break-even point is so much higher."

When visited a year ago, this man had tentative

curtailment plans all outlined for various recession contingencies. "The drop in volume actually came somewhat faster than we had contemplated," he admitted, "and we were unable to take advantage of as many normal terminations of employment, over a period of time, as we had hoped. About April 1 we decided to eliminate our night shift, which accounted for about 25 per cent of our total labor force, and we were able to absorb only enough of it, for replacements on the day shifts, to reduce the total layoff to 20 per cent.

"Even so," he went on, "if it had not been for our new products, the cut would have been considerably deeper. Volume on our standard line dropped during the year to about 50 per cent of our wartime peak, but production of the new products brought the total up to about 60 per cent. And that is just about our present break-even point.

"That being so, we obviously have to maintain our prices—or go broke—unless costs come down. And though we check and analyze constantly, and save wherever we can, I can't foresee any substantial lowering of costs so long as labor holds to its present demands. And apparently that is what it fully intends to do."

A top-ranking eastern labor union official, who a year ago had insisted that labor leaders would face up realistically to any real recession, agreed in general that labor has no intention of letting wage rates slip, but cited isolated instances in his state where unionized employes in the hard-hit textile industry had actually accepted wage cuts. This was in two wool-scouring plants. In another plant, that of a textile converter, he declared that the employes had offered to discuss some reductions, as well as to give up the paid vacations they had coming to them, but the owners had nevertheless shut down the plant.

"That would not make it look as if labor was so unreasonable as some people pretend," he said, "or as if labor costs were so much more important than anything else in the present situation. As a matter of fact, when the Federal Reserve Board made a survey of employers recently, to get their thinking about the favorable and unfavorable factors in our region, labor costs did not rate as high as taxes in the answers on the unfavorable side; but the quality of our labor was ranked high on the favorable side."

Responsible labor leaders everywhere, he declared, hold now, as they did a year ago, to a policy of trying to help find ways to increase labor productivity; and he felt that this, rather than any weakening of labor's wage gains, was the sound way to cope with the present problems of free enterprise. "After all," he pointed out, "the economists tell us that efficiency has been increasing two per cent a year, on the average, for many years, and that that is the way we have kept our standard of living going up. I have great faith," he added with a grin, "that business will keep right on making that kind of progress. I don't think labor has got to come to the rescue by giving up part of its pay envelope."

That business men *are* looking for ways to improve efficiency was testified by the president of an Ohio company which manufactures duplicating machines. "It takes the whole executive committee of most companies to approve the purchase of a machine now," he said, "instead of just the office manager. But if you can show that it will cut costs, you make a sale."

A top official in a California company whose main product is calculating machines bore this out. His

company's sales were off about ten per cent last year, he revealed, reflecting the reluctance of business men to spend, but business was now picking up as executives everywhere became aware of the possibilities of greater efficiency—and consequently lower costs—in their office work as well as on their production lines. (And this was the company which had installed slow-motion cameras on its own production line, as a cost-cutting aid.)

Businesses generally, this man insisted, are at the lowest point in 15 years in office efficiency. The main reason for this, he declared, was that office help recruited during the war had not been as highly educated in modern methods as would normally have been the case, since the armed forces were taking those who might otherwise have been going to business schools. "Then, too," he explained, "the salesmen in our own field, who used to analyze office procedures in order to sell their equipment, were not doing it during the war because there was nothing to sell, and in the postwar period—like most other salesmen—they just sat back and waited for the telephone to ring, since the only problem in selling was to get delivery. In the last year, that situation changed, and our company, for one—and probably most of the others in the field—is getting back on the job of surveying office procedures and showing business men how they can cut their costs.

"We know, from our own experience, how vitally important that is right now," he added, "and so we expect a considerably increased business in this coming year."

In addition to hammering away at costs wherever possible, other executives who were able to stem the recession tide and meet the challenge of the buyers' market placed major emphasis on merchandising methods and strategic planning. The head of

A YEAR ago labor leaders held to a policy of trying to help find ways to increase labor productivity. They felt that this, not a weakening of labor's gains, was their answer to the cost problem. The author has checked to see how labor feels about this today

a Pennsylvania company manufacturing chinaware, for instance, reported a new record in dollar volume in 1949, with business running 20 per cent ahead of the previous year. He attributed this partly to new packaging of the product, and partly to maintenance of quality. Only 60 per cent of production, he said, is passed for marketing under the company's high-quality label after inspection. About 20 per cent that fails to meet the highest standard tests is sold under another label, and the remaining 20 per cent is discarded. This insistence

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WHEN *TERROR*

FOR THE next couple of years we're going to hear a lot about "internal security" and "civil defense."

The United States at this moment has the most vulnerable home front of any reasonably civilized nation on the globe, despite the fact that we have the world's most formidable long-distance striking power.

Our home front is vulnerable primarily because we have no properly trained and equipped citizen forces ready to defend it. There has been a comfortable notion in Washington and in most state capitals that there is no hurry about all this—besides, it would cost money, and furthermore a great many voters would be personally inconvenienced.

So internal security and civil defense have been stalling along in the "planning and discussion" stage, despite the vigorous efforts of such men as the late Secretary of Defense James Forrestal, who felt that home defense was "a matter of the highest priority in our national security program."

But the Soviet atomic blast has jarred internal security and civil defense out of this vegetable existence into the get-something-done-about-this-but-quick category.

The creation of adequate home defense forces

has suddenly become an important national objective. It will soon become an objective in every state and community.

Home defense begins at home. A home defense force must consist of men who will be ready *and trained* to defend their homes, their communities, and facilities vital to their community life, whenever called on. They can't be National Guardsmen, because the Guard is an integral part of the Army, practically first-line troops. Maj. Gen. Edmund A. Parker, provost marshal general of the Army and the man who has much of the responsibility for our internal security on his shoulders, put it this way: "We'll need the National Guard on M-Day, but we may need it a long way from its home stations. We've got to have an internal security force that will be ready to take over in every locality as the National Guard climbs on the train, not six months or a year later."

It might be fatal to the split-second, tightly integrated mobilization plans of this swift-moving age to have National Guard units unexpectedly tied down by local responsibilities. Yet it isn't hard to imagine the protest that would go up from terrified citizens in many a city if war came, and the Na-





STALKS YOUR TOWN

By GEORGE FIELDING ELIOT

IN THE last war it took months to organize a home guard. We won't have that kind of leisure again

tional Guard outfit started to pull out, leaving a defenseless community behind it.

For much the same reason that the Guard can't be used for the purpose, the home defense forces can't include the young, active men who are subject to draft, or those who are key workers in essential industries. The home front will have to be defended by men who are likely to be on hand if trouble comes—men too old or physically unfit for front-line service.

Internal security is a military job, civil defense a civilian job, at least in theory—but the two functions overlap at a thousand points. If it comes to actual defense of our home front—which in any future war can become a battle front overnight—it's probable that military and civilian defenders

will be fighting, working and dying side by side. Each will be dependent on the other. The wording of official definitions supports this view.

The 1948 Army Board on Civil Defense (known as the Bull Board because its chairman was Maj. Gen. Harold R. Bull) says that civil defense is "the organization of the people to minimize the effects of enemy action against communities, plants, facilities and other installations and to maintain or restore those essential to civil life." Later the same year, a board headed by Secretary of the Army Gordon Gray, reporting on the civilian components of the armed forces, accepted the Bull Board's definition of civil defense and went on to define internal security as including "all measures necessary for active protection of production, utility, stockpile, supply, transportation and other installations of primary importance *to the war effort*, and for counteraction against sabotage, fifth-column activities and invasion forces until field forces are available."

In the fall of 1948, another report on civil defense, prepared under the direction of the late Russell J. Hopley for Secretary Forrestal, repeated the Bull Board's definition of civil defense but added: "and



to preserve the maximum civilian support of the war effort."

So, even in the process of establishing definitions, the colors of the picture were running together.

These home defense operations, it should be emphasized, do not include what is called "active local defense," involving air-raid warning systems, anti-aircraft defense, and other measures by which the national armed forces seek to deal with enemy forces. All that is another story.

THE problem of defending the home front has been under study in many quarters. The Department of Defense and especially the Army, is at work on it. The President has assigned the National Security Resources Board as the appropriate agency to "exercise leadership in civil defense planning." So far, 16 states have civil defense laws, and 40 states have named directors. Even a few enterprising cities (such as Providence, R. I., and Fort Wayne, Ind.,) have taken up the question in a practical way.

A committee of the International Association of Chiefs of Police is studying the police angles of "disaster control" (which includes peacetime disasters such as fire, flood, pestilence and hurricane as well as the man-made disasters of wartime). The cooperation of other civilian agencies (for a few examples, the National Conference of Mayors, the International Association of Fire Fighters, the American Municipal Association) is being sought by William A. Gill, NSRB's coordinator of civil defense planning. All this planning, which was going ahead in somewhat leisurely fashion until the Kremlin applied the atomic spur, will now shift into high gear.

Both for civil defense and internal security, the first essential will be a force of organized, trained, equipped men ready for instant action in almost every town and city. There is no way to forecast where the enemy may strike. Even if your community contains nothing that could remotely be called a military objective, it may have to help the folks next door on the principle of mutual aid.

If home defense begins at home, home defense must be everywhere.

"On the battlefield, you have to concentrate your forces to win," remarked Maj. Gen. Merritt A. ("Red Mike") Edson, U. S. Marine Corps, retired, now director of the Vermont State Police. "But for internal defense, you have to disperse. You must have a nucleus of trained men in every community. Then you must have some kind of mobile reserve force in every state, ready to be rushed anywhere at a moment's notice."

This highlights one of the distinctions that is likely to be made, as the plans work out, between the two categories of forces that will be created for the defense of our home front. One will be a community force of "auxiliary police," selected and trained largely by town and city police departments under

the supervision of their respective chiefs, and available not only for wartime duties but for local emergencies. In rural communities, the state police or state highway patrol may be charged with this duty. In addition, these state forces may train a few units of reserve police for civil defense purposes.

The second type of internal defense force which will be needed is likely to be of military character, on the model of the state guard forces which were built up during World War II, after the National Guard was inducted into federal service. Units of the state guard will be scattered about in the larger cities and towns, as units of the National Guard are at present. National Guard armories can be used for training purposes—indeed, in New York, the state guard units are directly affiliated with those of the National Guard in the ratio of one battalion for each National Guard regiment.

The chief concern of the auxiliary police will be civil defense—of the state guard, internal security.

Plans for the employment of the auxiliary police must be fitted into the larger civil defense picture, which includes evacuation, plant protection, fire fighting, decontamination, medical services, chemical and radiological defense, air warden service, rescue and emergency feeding and shelter. In most of these activities, a force of trained police plays a vital role.

The state guard will be called on to provide sentries and patrols for guarding railway and highway bridges and tunnels, docks, warehouses, war-production plants, canal locks, public utilities and other possible enemy objectives which are (as the Gray Board puts it) "of primary importance to the war effort." They will also include reserve units which can move to any point which is threatened or attacked.

In practice, the two branches of the home defense forces must work in the closest kind of cooperation.

If local defense fails, the reserves may arrive too late. If the reserves do not arrive with reasonable promptness, the local forces may be overwhelmed—either by the enemy or by the sheer magnitude of the disruptive power of panic and destruction, spreading outward from its focal point.

What kind of training and arms should these two home defense forces be given?

Says General Edson on this point: "Your auxiliary police should be trained primarily for police duties—how to handle street disorders and control a panic-stricken crowd, traffic direction, use of police facilities, first aid and rescue work. Weapons? Well, there's a lot of authority in the good old night stick, but to back it up, the men should be trained in the use of revolvers and riot guns, plus tear gas. A few men might be run through a course with the tommy-gun."

I asked General Edson whether he thought the time schedule for National Guard training—that is, 48 night periods of

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Why Europe Can't Come Back

By RICHARD TREGASKIS

WHEN I got aboard the *wagons-lits* car at the Amsterdam station, heading for Paris, I should have guessed what the stranger across the table from me was going to say.

I should have guessed it not because of anything particularly distinctive about his looks, but because of previous encounters with Europeans like him, on trains and elsewhere, during a tour of the North Atlantic countries.

On this trip I had sampled only a tiny part of popular opinion: in general, a well educated group who could speak English. What this group thought about the Marshall plan, the future of Europe, communism and related subjects had been remarkably consistent.

It had been so consistent that I'd been thinking I might write an article about it—even though I am no economic expert, political commentator or associate of the big shots. Since I had been hearing such discouraging comments from

MUTUAL economic help, say experts, is the key to eventual recovery. Yet a traveler finds the old plus newer barriers at every border station

ordinary citizens, I'd begun to feel that a political and economic truth very important to the American taxpayer loomed before my eyes.

On a swing through England, France, Holland, Belgium, Switzerland, Germany, Denmark and Sweden, talking to people in public conveyances and public places, at parties and dinners, at teas and soirees, I had been told regularly that Marshall plan aid wasn't enough to take the place of Europe's lost or fading empires (which had supported her for 100 years); that Europe's conglomeration of petty-proud, nationalistic nations was sinking steadily despite the Marshall shots-in-the-arm; that the only solution for the impoverished continent was a

union without nationalistic barriers; and that probably Russia would arrange this by force after the American people had grown tired of sending \$6,000,000,000 a year as a gift to build up European competition for their business men in world markets.

All of these points were not always stressed, but there were few conversations I had with white collar Europeans which did not include some part of the pattern I have just outlined: always the basic thesis that increasing nationalism, at home and in the colonies, seems to be throttling Europe—and that the Marshall plan doesn't seem to be stopping this trend.

So I might have guessed what

49, I had seen the basic cause of that poverty. I'd seen a rising wave of nationalism through the former European colonies: in China, India, Indonesia, Malaya, Africa—in all of these teeming population centers the subject nationalities were being very independent, they all were anxious to tell off their former European governors, to obtain for themselves the benefits of statehood and independence. I could see that in the future the Europeans, who had previously imported raw materials at bargain rates for their manufacturing plants, would have to begin to pay higher prices to the former imperial possessions, to treat them as equal nations. To cover increased costs, the Europeans would have to increase their efficiency in the manufacturing process, if they were to compete with the U. S. in world markets.

This I had seen in the colonial part of the world, and now I could see how it was taking effect in Europe. First, in Britain, I found a rather morose consciousness that the nation would never again be a great and rich industrial power. She was now a pauper country, trying to pull herself together with the sternest of state control systems. Even to achieve a "necessity" economy she would probably have to have many more years of outside help—from the United States, of course.

I had always found Englishmen stubbornly cheerful and serene—even in desperate situations during my time as a correspondent with British armies in the late war. But my friends and acquaintances in England this time betrayed varying degrees of pessimism about the country's future.

One friend, an office worker in London, seems to typify the change that has come over the British. He is a tweedy type, and I had remembered him as a calm, witty sort, even during the days when bombs were dropping nightly on London.

But now I found him morose, depressed; largely because, five years after the end of the European war, Englishmen in general seem to be worse off than in 1944, and the future looks blacker than the present.

This friend sums up his general disillusionment concisely: "Every unpleasant thing that I could imagine has happened since the war began."

This would have been all right if it had ended with war's end, but now, he says, he and his friends and acquaintances are poorer than ever. His salary of about \$50 a week (he is a skilled and experienced man) simply doesn't allow him to live in comfort. A widower, he lives in a small, cheap flat, and his wardrobe is a patch of old jackets and slacks. He can't afford new clothes: a good suit runs to \$100 or \$125. This high price is largely caused by a heavy "purchase tax" on clothing, running to 50 or 60 per cent on different items. Heavy taxes like this are symptomatic of the poverty of the government in England, as in the rest of the post-war Europe. Our friend complains vehemently about the Labor Government, figures it is responsible for the shortages and high cost of living, but the interesting thing is that he doesn't believe, any more, that a change of government is

going to be the answer for Britain. He feels that Britain's old position of No. 1 manufacturing center of the world is never going to be attained again. Underfed citizens are listless, don't have the energy to modernize their productive machinery or work harder, so the product is inferior, lags on the market, produces less income.

Another tweedy type in London, a retailer, cited British automobiles as an example of uneconomical production. He was impartial enough to say, of the autos which are the main British hope in capturing foreign consumers' goods markets:

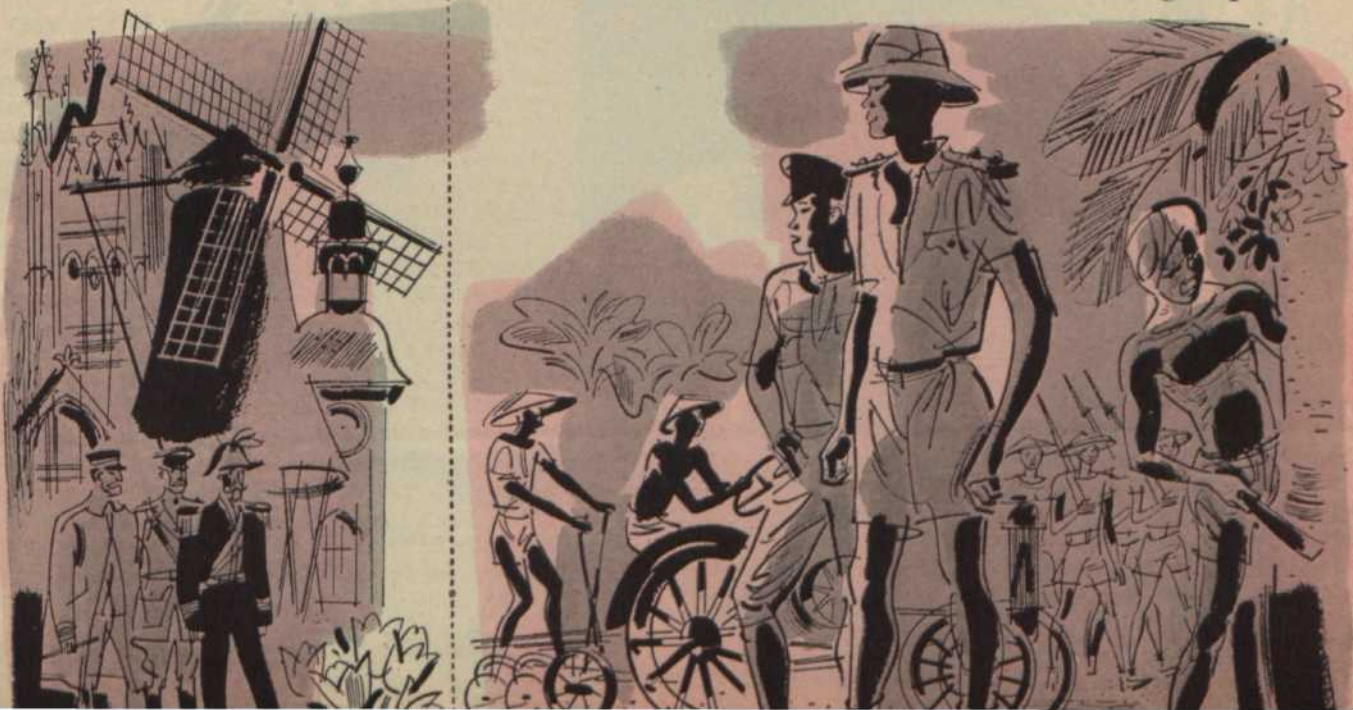
"Even with devaluation, the British cars won't give you the same value per dollar as the American product."

He believes, too, that neither Britain's old-fashioned manufacturing plants nor her underfed working population is sufficiently productive, and therefore her manufactured products are overpriced, old-fashioned and overtaxed. It is no wonder, he said, that the politicians have invoked desperate control measures to protect Britain's fragile products from the rough winds of free trade.

He felt, however, that a return of the Conservatives to power would loosen up Britain's productive machinery to the point where she might have a subsistence economy, for the next decade or two, with or without the Marshall plan.

A man of scholarly habits as well as business acumen, he likes to think in larger terms: "Britain's basic trouble now," he says, "is
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U. S. aid isn't enough to replace lost or fading empires



FINE CHINA—That's

By JOE ALEX MORRIS

AMERICA'S oldest famous name in the manufacture of fine chinaware is Lenox, Inc., which occupies a block-square pottery in Trenton, N. J., and caters to the whims of some of the most exacting customers in the world.

Two Lenox orders were from Presidents of the United States who wanted to set the White House table with china comparable to the finest of any country. Another was for china decorated to match perfectly the red of Cardinal Spellman's hat. Another customer was a desert prince who wanted enough costly ware to set a banquet table for 1,000 guests and still another was a man who wanted some of the most skillful potters in the world to make him 100 clay bricks for free.

All of them got what they wanted, including the man who asked for bricks made in a rare size for use in restoration of an historic landmark of Trenton's revolutionary days. In fact, Lenox old-timers can't remember that the company has ever been stumped by a customer's whim.

A plate stamped with the Lenox trademark may cost anywhere from \$5 to \$1,500 and the only difference is in what the customer demands in the way of decoration. This frequently turns out to be a whale of a difference.

ONCE U. S. potters looked to Europe for guidance. Today the trend is being reversed

There was, for instance, one millionaire who wanted a dozen service plates decorated with pictures of pheasants native to various foreign countries. The available pictures didn't satisfy him, so with his financial backing the company sent a party around the world to photograph and sketch rare pheasants. They returned to Trenton in 1927 with six fat volumes of bird pictures from which the customer selected a dozen specimens and gave the rest to Lenox for future reference. The late William Morley, perhaps the most famous of American china painters, transferred the pictures to a dozen elaborate service plates. Just how much the project cost the customer was never disclosed but recently, when Lenox experts received a telegram asking them to estimate the current value of the original plates, they wouldn't even venture an opinion.

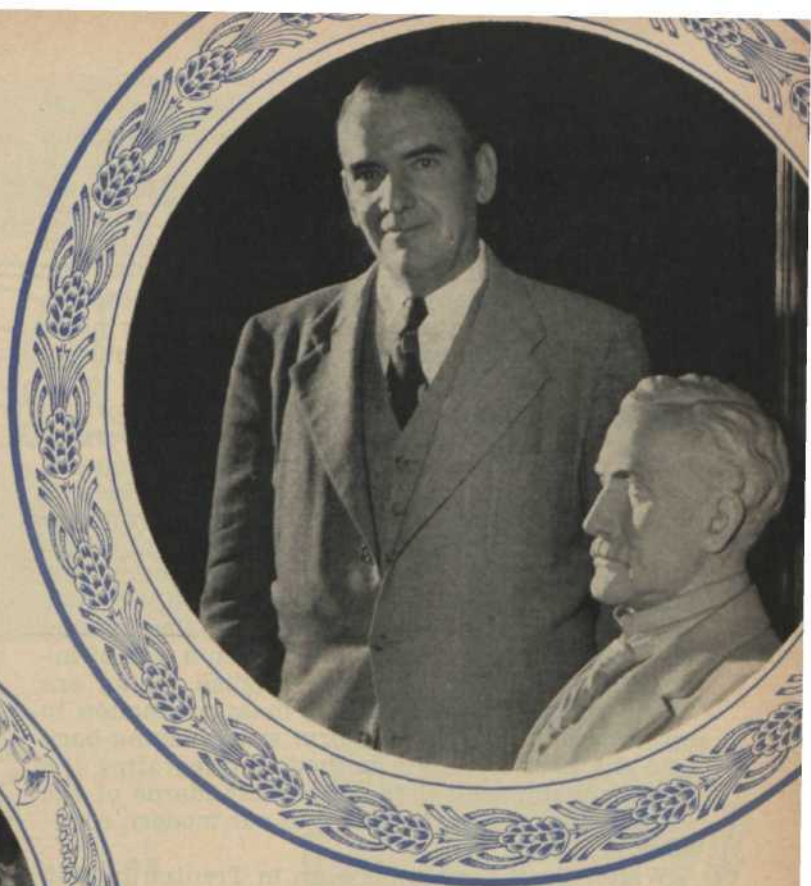
Frank Holmes, seated, pioneered a new style in chinaware—modern



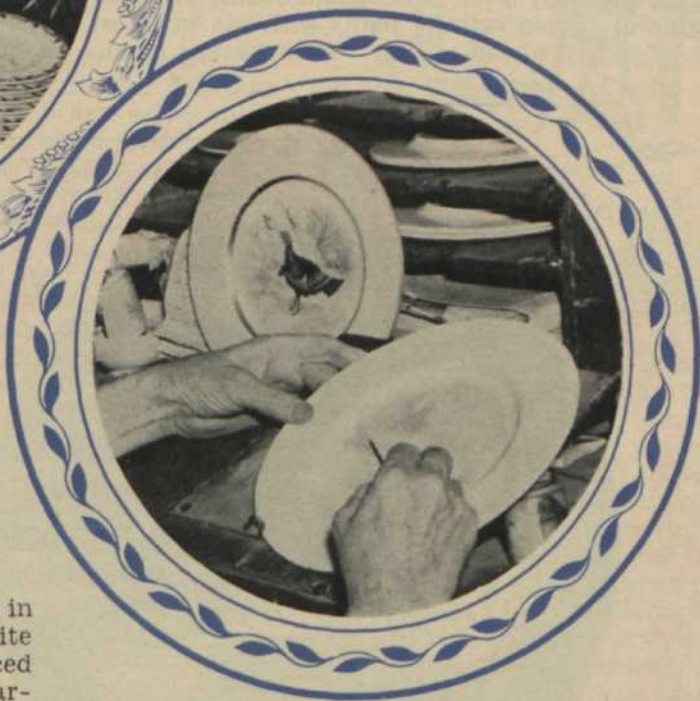
PHOTOS BY
R. I. NESMITH

Their Dish

The old and new: Founder
Lenox and Leslie Brown



Designs must be inspected
carefully prior to firing



These plates go for \$300 a dozen

One of the most difficult tasks in any pottery is reproducing or exactly matching colors, partly because the firing of china in the kilns changes the color and the artist must calculate to perfection the change in shading that will occur. In this Morley's skill was extraordinary. Once a woman who loved Europe but lived in New Jersey came in with a set of black and white photographs of European gardens to be reproduced on service plates. Fortunately, she knew the gardens so intimately that she was able to identify for Morley every tree and bush and to describe the colors in each scene. She talked and he painted and the result was fine.

Another customer was a wealthy business man who had retired to a Pennsylvania farm. He raised blooded livestock and had a mania for collecting elaborate service plates wherever he traveled. One of his horses turned out to be a prize winner and shortly thereafter he came into Lenox and urged Morley to visit his farm and sketch the horse so it could be used as decoration on a dozen plates. The

artist refused but agreed to do the job from a photograph and a good description of the colors. The result was perfect, according to the customer.

Not long afterward he came back with the photograph of a fat black hog that had won a prize and ordered another dozen service plates with that animal's picture on them. His stock kept on winning prizes and he kept on ordering another dozen plates for each winner until he had 18 sets. Just when the company felt that this might go on indefinitely and profitably, the man's wife cried enough. She had

counted up and discovered that they owned 185 dozen service plates collected all over Europe and America.

It was the Army Signal Corps, however, that came closest to stumping Lenox. Early in the war, the Corps urgently needed a new and intricate type of insulator made of steatite, a ceramic material. The skill of the company's potters made it possible to turn out the delicate models. However, after plant changes had been made to produce the insulators the schedule was almost stymied by inability to lay hands on a peculiar but essential device known as an extrusion machine, which under high pressure molds steatite into small slender tubes. The country was searched in vain. Then, when hope seemed gone, a Lenox man in Brooklyn turned up with an abandoned spaghetti maker which, with a few alterations, was tried as a substitute. It worked fine and the Signal Corps got its insulators on schedule.

These examples, of course, are just the frosting on the cake at Lenox, which has been a sort of industrial pioneer with reverse English. In an era when America was developing mass production to an unparalleled peak, the firm was reaching back into the past to find a method of integrating the craftsmanship and high artistic standards of the world's finest china makers into our modern economy.

Walter Scott Lenox was born in Trenton in 1859 when the town was one of the most important pottery centers in the country. As a boy he wanted to be an artist and, after completing an apprenticeship in a pottery, he devoted himself to the problem of design and decoration. He was a young man who instinctively loved quality and beauty and was capable of taking infinite pains with his work, so that he moved ahead rapidly. When he was in his

20's he became art director of the Ott and Brewer factory. He saved his money and, in 1889, got together \$4,000 and became a partner with Jonathan Coxon, Sr., in the Ceramic Art Company.

At that time all fine chinaware was imported from Europe but the idea of making ware comparable to any in the world was in Lenox's mind from the beginning. It was an idea that was far more daring and far more hazardous as a business proposition than might have seemed on the surface. In the first place, the technique of making fine china was difficult to master; secondly, Americans were strongly prejudiced in favor of the famous European china names; and thirdly, it seemed highly probable that a company would go broke trying to produce high-quality ware while paying American-scale wages. About 70 per cent of the cost of fine chinaware is labor, much of it highly skilled.

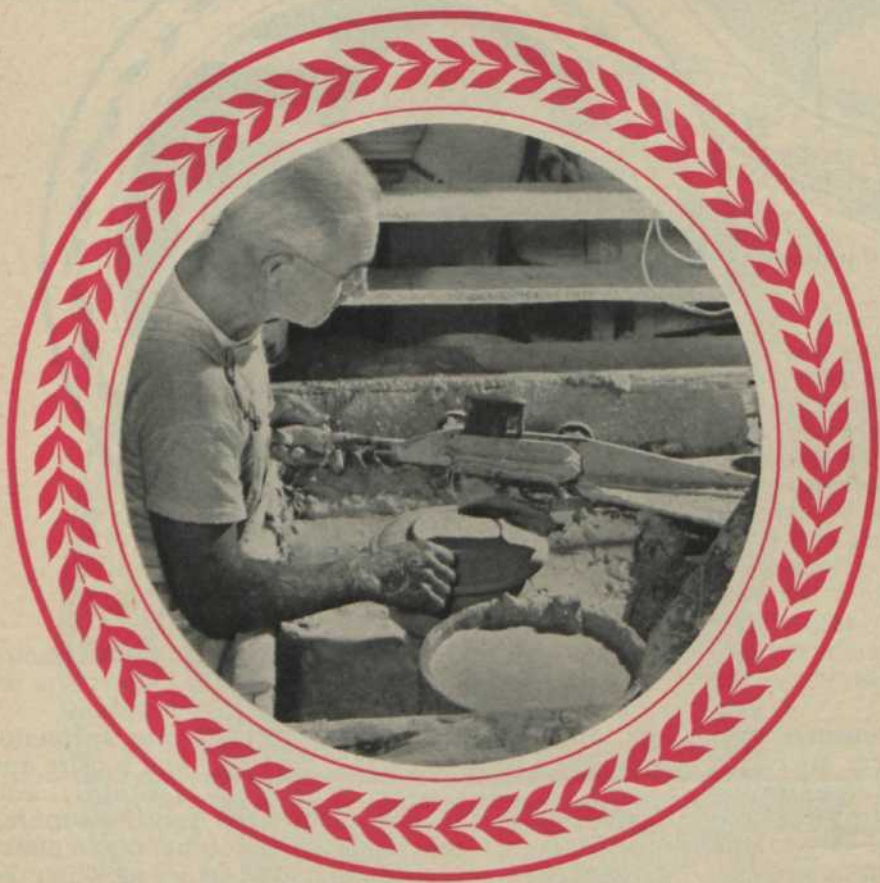
The first two problems were challenges to Lenox and the third—the problem of profits—he ignored as far as possible. In 1894, when he acquired sole ownership of the company, about all he had were debts and a three-story pottery that had been built, on the insistence of financial backers, so that it could easily be converted into a tenement house if the business failed.

It didn't fail, but it would have except for Lenox's ability to make friends. There were many times when he dashed from friend to friend to borrow \$500 to meet the payroll; or to borrow from one friend to pay back, often without interest, what he had previously borrowed from another. And there were many times when Harry A. Brown, secretary of the company, stood by as ware was taken from the kilns and then, if it had turned out well, hurried to New York to collect in advance enough money to buy more materials for the pottery.

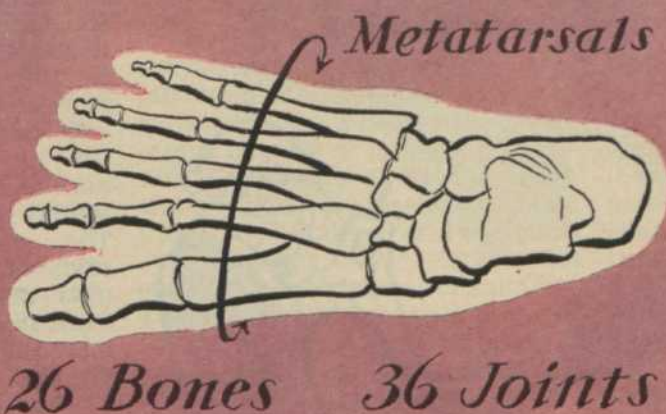
Lenox, however, never permitted financial matters to dampen his confidence that he could create fine chinaware. "Often," he told an acquaintance later, "I would sit on the porch in the evening, light my pipe and talk as if the world were mine and rosy with prosperity, even though I was conscious that I didn't have five cents in my pocket."

At first, Lenox concentrated on production of a rich, ivory-tinted ware called Belleek, which originated in Belleek, Ireland. He was forced to import two skilled potters in order to learn the methods but even then the next few years brought more disappointments than successes. On one occasion when Lenox felt he had exhausted his credit, he made a tour through the pottery with a wealthy visitor from Philadelphia. They stopped before a kiln that had just been opened and from which workers were removing chinaware that represented an investment of \$2,000. Lenox, who had been explaining the difficulties of the business, looked at the finished product and saw that there was a tiny, almost imperceptible flaw in every piece.

At that moment the enthusiastic
(Continued on page 68)



A jiggerblade speeds up the shaping of a plate



Unsung hero of the
"Battle of the Arch"

There's No Ache Like Barking "Dogs"

By GREER WILLIAMS & RUTH B. SCOTT

IF A MAN handed you a shovel, pointed to a 160 ton coal pile and said, "Move it all in 15 minutes," you would think yourself well within your rights to throw the shovel at him, inquire into his sanity or advise him, "Hire a steam shovel."

Your two feet, in contrast, will undertake as big a job and do it every 15 minutes, hour after hour. In the course of a one-mile walk, for instance, each foot of a 150 pound man picks up 80 tons and, of course, puts it back down again. This in itself is a remarkable exhibition of weight-lifting.

Amazingly enough, your feet ordinarily will perform such labor without a squeak or a complaint. But a survey of nearly 500,000 persons by the National Association of Chiropodists, the organization of foot doctors, shows that three out of four of us are bothered with our feet. One in every three Americans—or about 50,000,000—are in need of expert foot care.

We shall skip athlete's foot. This fungus infection which seems to be the price we pay for swimming pools, locker rooms and shower baths, ranks first, affecting two in every five foot sufferers.

Three out of five, however, have one of the next three most common

defects of the doggies—hard corns, soft corns and calluses. You may be inclined to brush aside corns and calluses as of no consequence. But the truth is, they are merely the exposed one-ninth of the iceberg, so to speak. They are surface manifestations of defects in our machinery of locomotion. They affect our poise, our disposition and peace of mind. They also figure heavily in the fourth, fifth and sixth most common foot disorders—flat feet, metatarsalgia and weak foot.

The fact that our feet will put up with so much, and take such a kicking around, may be one reason why we show them less respect than any other part of our body with the possible exception of our stomach. But there are other reasons for our contempt of feet. For one thing, they are nothing much to look at, as the ladies demonstrate by trying to make theirs look smaller than they are. Then, too, the human foot's 26 bones and 36 joints have a touch of the make-shift about them.

Visit the Field Museum of Natural History in Chicago, and you will find a plaster cast of an unattractive footprint discovered in a cave at Gantils-les-Bains, France. It apparently was made in



the cave floor by one of our Stone Age ancestors, Magdalenian Man. His foot bones were the same as modern man's but his big toe separated from his other four toes and protruded inwards in a manner reminding one of a large sore thumb.

This so-called cleft foot still shows up occasionally among persons born in the twentieth century, serving to remind us that our forebears used to live in trees and grip the branches for dear life. To this day, our distant cousins, the monkeys, are literally all hands. Furthermore, they have no trouble with "falling arches." Not needing an arch as a lever and support for standing and walking, they have none.

The gorilla, on the other hand, is an animal we should feel sorry for. Like prehistoric man, this fierce, waddling creature had to descend to living mostly on the



Abe Lincoln paid tribute to his chiropodist's "great success"

ground when he became too big and well fed for nimble climbing. As a result, he is going through the same evolutionary headaches with his feet that we did ages ago. This may be the explanation of the gorilla's somber, surly demeanor. Maybe his feet hurt.

Nonetheless, the gorilla to date hasn't made two additional missteps which we have. These are to shove his toes in tight shoes and then pound them around on concrete sidewalks. Here we have the sources of most of our foot trouble:

1. We impose an unusual problem of stress and balance on our feet simply by walking on our hind legs.

2. We pinch and cramp them in tight-fitting shoes.

3. We continually shock and bruise them on hard surfaces.

George Brown, 55 year old postman, is an example. Though letter carriers are only as good as their feet and indeed can't work without them, the United States Post Office makes no organized effort to cherish and preserve its employees' feet. It is not alone in this indifference. Few industries take an interest in foot care. Nor do the workers themselves or, for that matter, their family doctors.

Hence, it is not surprising that Brown had reached the point where he was unable to shoulder his mail pouch another day before he saw a doctor about his sore feet and aching back. They had

bothered him for a long, long time.

He had pared his corns, plastered his calluses. He had tried various types of shoes—low, high, stiff, soft and finally a pair with built-in steel arches.

Still the pain in his feet got worse.

When he couldn't bear to slap them along the sidewalks any more, he went to see a general physician. The latter said that feet were a little out of his line, suggested a chiropodist.

Brown went, expecting that the foot doctor would merely pare his corns and calluses, charge him \$1 and tell him that it was too bad but he was getting old and his feet were giving out. Therefore, he was somewhat mystified when the chiropodist examined his feet and started talking about "balance therapy."

The doctor—a doctor of surgical chiropody—first X-rayed Brown's feet. He found that the postman's first metatarsal bones were a trifle short and his second ones some-

what thickened. In other words, he had short big toes and a condition in the ball of his foot, just under the joint of the second toe. The length of his big toes and the pain in the balls of his feet were no news to Brown.

It was news, however, to learn that his feet might be out of balance each time he took a step and put his weight on one or the other. This situation, the chiropodist said, was indicated by the thickness of the second metatarsal bone. It was enlarged from bearing more than its share of the tonnage per mile.

"How about my backache, and the pains in my legs?" demanded Brown. "It's not just my feet that are killing me. I got something really wrong somewhere."

The foot doctor assured him that he had, but his feet were definitely at the bottom of it. They could make his back ache, and also give him a sour view of life.

The doctor tinkered with foot charts and apparatus on the first visit, to determine the proper distribution of weight while Brown was standing. On the second visit, he had Brown stand on soft plastic, and from this molded inlays fitting the bottoms of his feet. These were hardened up and placed in his shoes. He said that Brown should wear these a few months

until his feet were fully recovered. Like crutches they should be given up after a time.

Brown's feet felt so much better the next day that he wanted to go back to work. He called the chiropodist and told him so, but the latter advised him to rest his feet for two more days. Brown was amazed at the lightness of his step when he did return to his job. He no longer had the feeling of walking on egg shells.

The letter carrier didn't know it, but he was one of the

unsung heroes of the Battle of the Falling Metatarsal Arch, as we might call it.

First, perhaps we'd better dispose of the long arch forming the instep of the foot, since it is better known.



A person's normal gait is a rocker-like roll

The long arch is involved in flat feet. Customarily, it is blamed for just about everything. In reality, foot authorities point out, low arches are no more abnormal than high ones, and probably cause no more trouble. Flat feet, which may be congenital or acquired, cause much suffering, however, when bad posture and continued overloading leads to foot strain and fatigue.

Sometimes the flat foot may result from a condition known properly as weak foot though most of us call it fallen arches. The problem is not a breaking down of the arch (it can happen though not too commonly) but a rolling of the ankle inwards and a splaying of the foot outwards. The victim walks in a more or less knock-kneed position on the inside edges of his feet.

The foot's normal gait, of course, is a rocker-like roll, the heel striking first and the weight of the body then being carried forward along the outer edge to the ball of the foot, with the step finishing as the body springs off the big toe.

The most natural position in standing is with the heels together, the fore part of the feet separated sufficiently to balance the body to the side as well as forward. The body's center of gravity should be between the feet and just forward of the ankles. The toes turn out about 30 to 40 degrees, the angle diminishing considerably when walking.

Authorities say, however, that the pigeon-toed walking position attributed to the American Indian is no more to be recommended than the right-angle out-toeing advocated by the old fencing masters and drill sergeants.

Severe flat foot—actually weak foot in many cases—may require surgery and bracing but orthopedic surgeons and chiropodists follow a conservative course in the usual case. They seek to strengthen and straighten the ankle and foot by exercises, rest and instruction in posture and gait.

Periodic rest for strained arches is one of the most important remedies, and a difficult one to sell the patient. If you have a throbbing headache, you will go home and lie down. But with the same sort of pain in your feet, you just keep on going, and getting meaner.

The experts frown on rigid arch supports, despite their popularity. Said Dr. Emil D. W. Hauser, one of the Northwestern University Medical School's noted orthopedic group: "It is the history of practically all patients who have worn

such a brace that they get relief for a time and their symptoms then return even more severe than before."

The ball of the foot is known as the metatarsus, and any pain there falls under the general heading of metatarsalgia. Whether the metatarsus is an arch is another question. Dr. Dudley J. Morton, associate clinical professor, Columbia University College of Physicians and Surgeons, says: "There's no such animal as a metatarsal arch. The belief in its existence is one of the most persistent mistaken ideas about the foot. And, strangely enough, this nonexistent arch is still referred to in standard textbooks."

Belief in the existence of the fallen metatarsal arch seems to stem from trouble with calluses and pain at the base of the second, third and fourth toes and from the old conception of the foot as a tripod. The weight, in other words, is supposedly distributed on three points—the heel, the big toe joint and the little toe joint.

In repose, it is true, the metatarsus does seem to arch. But Dr. Morton devised a machine called the staticometer. When one stands on it in his bare feet, the machine

clearly reveals that each foot makes not a three- but a six-point landing. The weight distribution across the toe joints reminded Morton of "a man and four boys carrying a heavy log—with the man supporting the heaviest end."

How the weight-lifting assignment is parceled out can be seen if we take, let us say, a 240 pound man; with all that weight, the chances are good that he is having trouble with his feet. Each foot, obviously, bears 120 pounds. Sixty of the 120 is on the heel. The other 60 is distributed among the toes in the ratio of 20 pounds to the first metatarsal joint against ten pounds to each of the other toe joints.

Examining his patients' feet with X-rays taken from the top, Dr. Morton discovered one great source of "metatarsal arch" trouble. Many, he saw, had a short first metatarsal bone—in other words, a short big toe. Sometimes this joint merely appeared lax and spread out, a bit like Magdalenian Man's.

Short big toes ordinarily are no liability. Many athletes have them; the ancient Greeks considered them ideal. Most of Dr. Morton's

(Continued on page 62)

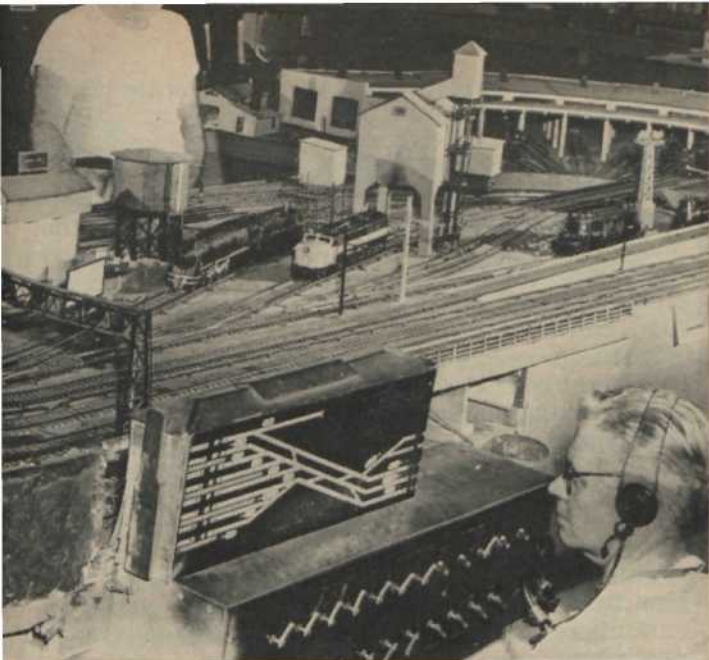


Man and the gorilla have one thing in common—sore feet



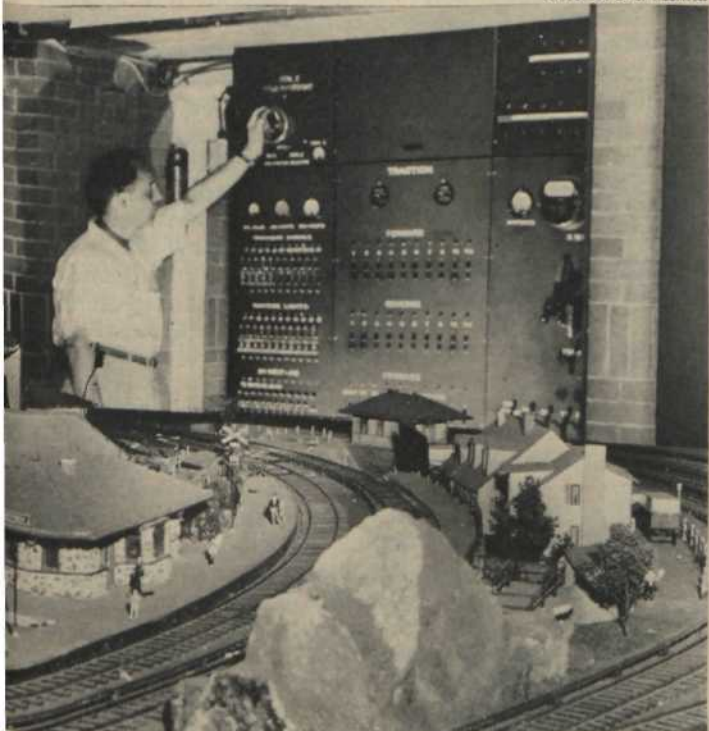
The Westchester club's headquarters in the old Pelham Manor depot is a magnet for miniature train enthusiasts and friends



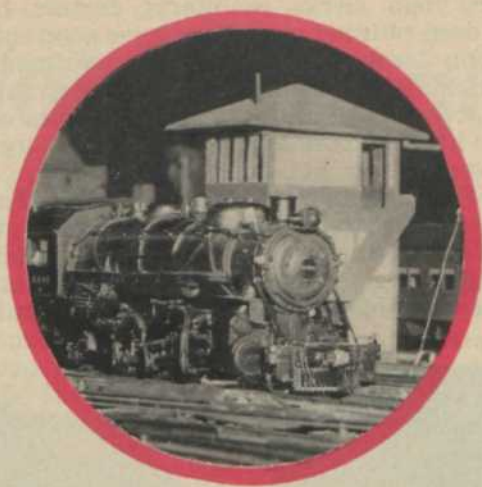


Pelham Manor model railroaders in depot home

PHOTOS BY G. I. NESMITH



The Eastern Lines is an elaborate setup



THE COAL BIN WATER HEATER & SOUTHERN

By SUMNER AHLBUM

THE TILE-ROOFED, field-stone station at Pelham Manor, N. Y., is a neat example of suburbiana. It is also a railroad paradox.

Past its platform runs the four-track Hell Gate route of the New York, New Haven & Hartford Railroad, but no trains have stopped there for years. Inside, however, where in palmier days commuters waited for the 8:15, stands a miniature replica of Pelham Manor's depot, a literal chip off the old stone. Past it runs one of the world's largest railroads—scaled to match the miniature station—and the engineer who fails to stop is in trouble.

This phenomenon takes place on three Thursday nights a month, when the timetable of the dwarf-sized Eastern Lines comes to life at 8:22. Pelham Manor suddenly becomes Central City, and a group of intent business men, most of whom commute to their daytime offices in full-sized trains, bend their efforts to getting Local No. 1, westbound, off on its scheduled run.

Just as others play golf, collect stamps or carve ships that fit inside whisky bottles, these are grown-ups with the same fierce determination to relax. They have fun playing at running a railroad, an occupational dream many a man has had tucked in the back of his head since boyhood.

But they are not, as some cynics might believe, playing with toys. The locomotive and coaches that rolled west from Central City at 8:22 are as different from the train under junior's Christmas tree as a push-pedal auto is from a limousine. Like a lot of other grown men all over the nation, they are riding a hobby known as model railroading.

It's a hobby engaged in by an estimated 250,000

business men, clerks, architects, doctors, bankers—and even railroad men. They have good company, too. John Jacob Astor III, whose investment portfolio includes good-sized chunks of the real thing, has a scale-model railroad that occupies a whole floor in his New York town house, plus a larger outdoor version on his Long Island estate. Actors Henry Fonda and Jimmy Stewart operated a model road before Fonda left Hollywood for Broadway.

Lyndon Y. Shaw, a fire insurance underwriter in Reading, Pa., spent 200 hours building a model electric locomotive scaled one fourth of an inch to

locking. Such modeling usually is to a scale of one fourth of an inch to a foot, which is called "O" gauge. The homegrown variety may be a small segment of a modern prototype, a jerkwater branch that runs from coal bin to washtubs, a replica of something in the 1880's, or even a street car line. Mostly this is in the highly popular "HO" gauge (3.5 mm to the foot); there are other sizes, too, including one as small as one tenth of an inch to a foot (called "TT" for tabletop).

In the more popular sizes, miniature trains can be bought over the counter, complete with tracks, ready to take home and run. But model railroaders mostly prefer to buy the more exactly scaled models in kit form and put them together themselves, or even, in the case of the more meticulous modeler, to get a set of scale blueprints and build from scratch.

This preoccupation for exactness has built up a new industry now estimated at about \$7,500,000 annual gross among some 100 manufacturers. These range from one-man basement workshops that operate on a part-time basis to a plant in Portsmouth, R. I., housed in two secondhand boxcars a mile from the nearest railroad. The two biggest producers are Mantua Metal Products, which has 80 employees and is a complete operation, and Varney Scale Models, which has less than half that number of workers and farms out a lot of work to subcontractors.

The Association of American Railroads (full-sized) estimates there are 250,000 fans to support these manufacturers, along with 30 wholesalers and 3,000 retail outlets. A more realistic view is offered by Albert Kalmbach, publisher of *Model Railroader* magazine. Kalmbach was a model railroader in the late '20's, which was the Tom Thumb area of the hobby. A bride who didn't think he was crazy helped him start his magazine in 1934, and in the intervening 15 years, the *Model Railroader* has been given fairly unanimous credit as the fuel that gave the hobby and the industry their present full heads of steam.

"We prefer to work in terms of some 100,000 that we know definitely exist as honest-to-gosh model railroaders," he said. "Of these, almost two thirds either have, or are building, pikes of their own. About five per cent belong to the some 250 model railroad clubs in the country. The balance might be called railroad model builders, in that they build cars and have small test shops, but do not actually have complete railroads."

Pelham Manor depot is a good place to watch the hobby on a teamwork basis. Like other games played by teams, the Westchester Model Club's Eastern Lines draws spectators—75 to 100 on an average operating night.

What they see is a complex railroad weaving itself about a room 81 by 21 feet, crisscrossed by trestles and bridges, studded with signal towers, crossing gates, a roundhouse, oil tanks, way stations and other embellishments familiar to anyone who has ever looked out of a train window.

Along more than 200 feet of mainline track, in and out of yards, branches and sidings, and up the hill of the 190 foot mountain division rolls a steady procession of passenger expresses, locals, milk trains, fast freights and peddlers. These trains make scheduled station stops, obey block signals, pick up a Pullman or a diner and drop off a boxcar or two at Pineville as if each one had an engineer in the cab and a conductor riding the caboose or coaches. In a manner of speaking they do, although

(Continued on page 71)



Stock rolls on the Eastern Lines' mountain division

the foot, and was one of last year's prize winners in the hobby. A ten-wheeler steam loco, scaled a little less than half that size, won honors for Edward M. Van Leer, a purchasing agent for Eastman Kodak in Rochester, N. Y.

These men occupy themselves with their hobby (or play at it, depending on which side of the track you stand) in a variety of forms and sizes. The clubs and more ambitious individuals go in for big layouts with complicated yards, heavy traffic and the electrical wizardry of such things as route inter-

The Book that Won't Forget

By PHIL GUSTAFSON

In a buying rush which, for those in the business, actually rivals the hurly-burly of Christmas, some 30,000,000 Americans are equipping themselves to write another chapter in the story of their lives. For most of them, this equipment will consist of a little book labeled "Diary—1950."

Their purchases support a lusty industry which has tripled in the past dozen years, but which, because of the vagaries of its customers, is one of the most whimsical in existence. And, since its sales are made principally during a three-week period after Christmas, it is also one of the riskiest. Diaries are dated merchandise. Those who haven't guessed the buyers' whims closely enough to unload in January are out of luck.

The term diary, which to most people used to mean the secret scribbles of sentimental women,

now is applied to any bound book used to record daily events or transactions—mostly appointments or things to do tomorrow. For a lot of those who keep these reminders, the books do actually tell a story of their lives. Many keep them on file for five, ten, 20, 50 years—and use them to answer that question: "Where were you on the night of Aug. 13?" The late Al Smith, for example, kept 30 or 40 little brown memo books neatly tucked away in his desk, and one of these once got him off a political spot. When a rival accused him of making embarrassing statements in a Fourth of July speech in New York, Al's diary proved that he'd been in Denver, Colo.

But plenty of people use their diaries only to record daily happenings and their reactions to them. Especially since World War II, which, like other wars before it, shot the diary business to new heights.

Diaries are all things to all people. Salesmen jot down expenses and phone numbers. Executives

list everything from stock purchases to golf scores. Students keep dates and class schedules. Gardeners record plantings and bloomings.

Mothers put down junior's "firsts" and bright sayings. Clergymen record baptisms, marriages and deaths, and their books are the stuff genealogy is made of.

Put them together and the different diaries add up to a \$25,000,000 industry.

About the beginning of November, along with the first Christmas merchandise, diaries of all kinds and sizes blossom out on counters of stationery stores, "five-and-dimes" and department stores. Lined up in modern, space-saving display racks, they fight for a place near the cash registers and cigar counters of drugstores. One company is even going into supermarkets. Another is planning a diary-vending machine.

The diaries range all the way from the little red vest-pocket memo book to the leather number equipped with lock and key and enough pages to last five years. In between are the big black sales journal for the merchant, the limp leather desk book for the executive and a size to fit any purse or

**VAGARIES of customers
make the diary business
one of the riskiest, yet it
is doing \$25,000,000**

Jack Berliner, diary company sales chief, deep in books

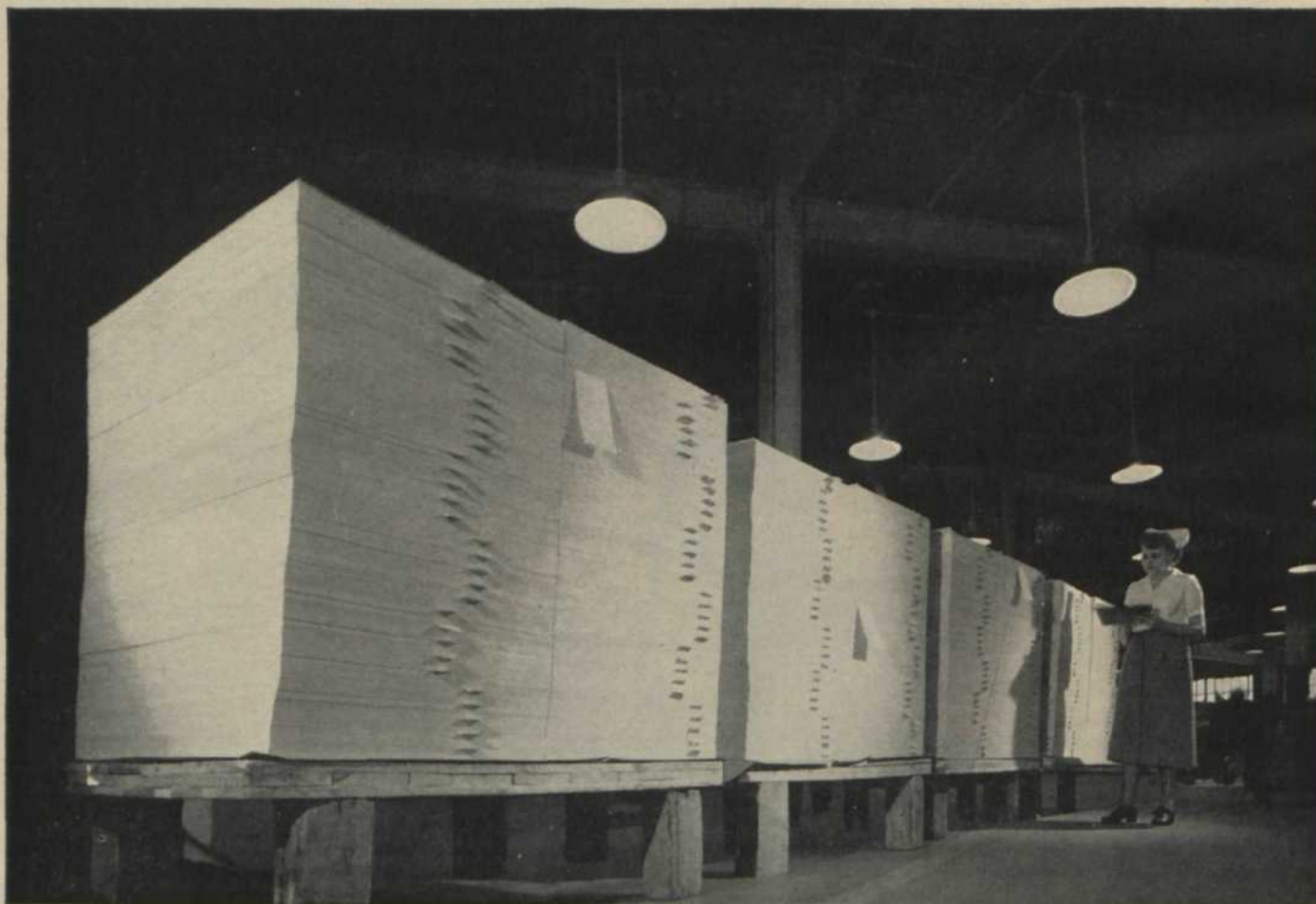
R. L. NESMITH



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* TRADEMARK



pigeonhole. One company makes 300 different diary numbers. Nobody pays much attention to the diary counters until the last week in November and then the rush begins.

"People always wait till the last minute," complains Jack Berliner, sales manager of the Standard Diary Company. "Then they come running in with their appointments and reminders written all over the backs of old envelopes, hollering for a diary in which to put them."

THE diary people sit up nights in late December and early January and get red-eyed trying to fill last-minute orders from retailers. Though most of the diaries are sold in a three-week period after Christmas, a few are still moving in February. But books on the shelves late in January usually mean plenty of unwanted red ink on the ledger.

The business is even riskier because plans must be made so far ahead. What's happening now is the culmination of a year and a half of preparation. Paper and flat stocks were bought the middle of 1948; printing, ruling and sewing started in September of that year. Finished products were delivered late last summer.

Now it is up to the customers and they are entirely unpredict-

able. One year the popular numbers will be a pretty red job with gilt edges. Dealers, unable to meet the demand, order big stocks for next year.

When the next season rolls around, these same diaries are likely to be a drug on the market. Companies have used customer surveys to gauge the demand for books from new classes of users—they market-tested merchants' diaries last year—but the surveys don't help much.

The "perpetual" diary (year and day of the week omitted) would be one answer, but, sadly, this type has never caught on with customers.

Some companies try to reduce the risk by holding back part of the output until the orders are in and then trimming production to fit the demand.

Even this doesn't always do the trick. One big company last year figured too close and ran out of diaries in October. Another had thousands left over.

In this particular case, the firm luckily unloaded at only a slight loss to a chain distributor who sold the books for scratch pads and scrapbooks. But usually the companies just chop up their old diaries and sell them for scrap. Some dump part of the books in the job lot stores and these bob up on the street stands. Some cut-rate

stores hold a few unsold diaries for years. When they sell, they bring a good price.

"Nine times out of ten," one diary distributor told me, "these customers are in a jam with the income tax people over some old return. And since diaries are accepted in court as evidence of expenditures, they make out a new diary to fit the old year."

THOUGH the whims of the casual diary buyers throw the industry into tailspins, there's a conservative streak in the diary-buying regulars; they keep the same size year after year so they can file them in neat rows in their desks. Maybe a certain green pocket-sized number isn't bringing in much profit, but the dealer who discontinues it may face a wrathful customer. So naturally the dealers are leery of pioneering a new line.

"Change the size of the page, the number of lines or the layout, and you'll get letters from all over the world," says George Dykeman, Standard's New England sales manager. "The diary keeper gets used to just so many lines a day, and when you change his habits, he'll accuse you of ruining his life."

But that's only half of it. The rest of the diary keepers are always writing the companies and wanting pages, sizes or reference sections changed. "For Pete's sake," raves one, "can't you put in something worth while instead of those asinine tables of tides, sunsets and the church calendar?" In trying to please everybody, the diary companies sometimes feel like the man who wound up carrying the camel on his back.

Young girls of the romantic age—in high school and college—are the main keepers of the lock-and-key or "social type" diary. But members of both sexes, once they get started, quite often remain faithful journal keepers to the end of their days.

Diaries that have been running for 50 years and more are not at all uncommon. The world's champ is believed to be a New Englander named Washington Dane Graves, 102 years old, who has been at it for 64 years. It all started when he went on a windjammer trip around the Horn. He made his first entry on Jan. 1, 1886, when he noted profoundly:

"It looks like rain."

Diary makers are ever on the alert to catch the buyer's eye with a bright colored number covered in a plastic or other modern material. But they say that, year in,



year out, the standard leather or imitation-leather reds and blacks are the best-sellers. In the pocket size, a two-by-five, red 50 center is the most popular, while a five-by-seven black dollar number is the best-seller in the desk class.

New England is the best diary market, probably because the industry grew up there. There are few regional preferences in diary models, though there is a steady demand among lumberjacks of the Northwest and oil men of the Southwest for covered diaries encased in a tuck-and-flap folder which they use mainly for data connected with their work. There is a small foreign trade in the American product with English-speaking groups in various foreign countries, but the volume is down now because of exchange difficulties.

A few "luxury" numbers are imported from England, which has an old and well established diary industry.

Because the business is so risky for newcomers, most of the U. S. books are distributed by three large companies: Standard Diary Company of Cambridge, Mass., the National Blank Book Company of Holyoke, Mass., and Seelman Brothers of Milwaukee.

STANDARD officials planning the company's 100th anniversary next month claim it started the diary business in this country. The company was born before the Civil War in two small rooms over a Cambridge, Mass., grocery store rented by Edwin Dresser and Eben Denton, both in their early 20's. Dresser brought his paper stocks from Boston by wheelbarrow and took them to the paper ruler, the printer and the binder by the same means, then hauled the finished diaries to stationery stores. In the diary boom that came with the Civil War the partners saw their little venture mushroom into a national business which continues today the largest in the field.

On the retail side, about 10,000,000 diaries are sold each year at an average price of a dollar. An estimated two and a half times as many are given away each Christmas by firms who want to keep their names before their customers.

Because it, too, is a risky business, the "give-away" diary field has been confined mainly to half a dozen large advertising specialty concerns. Many large printing houses, however, do special jobs for big customers. Col. Arthur Tager, who heads the Advertising Cor-

*"My CARNATIONS
were the Hit of
the meeting!"*



"Just before my largest customer's most important sales meeting, I had a happy thought. I wired scads of carnations to brighten up their meeting room."

"My FLOWERS sure made a hit. Their Sales Manager told me the beautiful bouquets made everyone feel *more cheerful and friendly.*"

FLOWERS-BY-WIRE always indicate unusual thoughtfulness when sent for new office openings, company anniversaries, executive promotions and personal events. They create good-will!

Your FLOWERS-BY-WIRE can be delivered anywhere in a few hours. 8100 members serve the U. S., also handle Overseas orders via Interflora. Place your order with the FLORIST who displays the Winged Mercury Emblem . . . that means we guarantee satisfaction!



Say it with FLOWERS-BY-WIRE

FLORISTS' TELEGRAPH DELIVERY ASSOCIATION, 149 Michigan Ave., Detroit 26, Michigan

poration of America, one of the largest of the specialty concerns, says gift diaries have an amazingly high advertising value. Constantly increasing orders are bearing him out. Colonel Tager tells fabulous stories about the sales his diaries have brought in, and his favorite example is an agent who sold \$37,000 worth of insurance while delivering one of the gift diaries.

Probably the champion long-distance diary giver is Clarence Bonyng, whose law-reporting firm gets out minutes of court proceedings and business conferences. He has sent them out to his business friends for 45 Christmases and each January gets at least 600 letters from customers who have included such men as U.S. Steel board chairman Irving S. Olds, Henry Stimson, John W. Davis and

Associate Justice Harlan F. Stone.

To make doubly sure that the gift book goes everywhere with the man who gets it, the companies load the diaries with all sorts of data which they hope will prove indispensable. Electrical manufacturers fill the back pages with technical tables for the engineer; liquor companies cram in price lists for the liquor salesman. The diary of the DeLaval Separator Company, filled with agricultural data, has become known as "the farmer's Bible."

Some of the books are so useful to those who get them that they shamelessly query the donor if their gift is delayed.

Diaries of romance, history, politics, adventure—leaders in the industry are working hard to stimulate all of them. "Tell it to your diary—it never forgets" is one of

their main slogans. But their greatest increases have been achieved by looking at the other fellow's job from his own side of the desk and finding new uses for diaries or running records in business and the professions.

ONE of the diary makers' brightest hopes is for the early adoption of the proposed new world calendar, in which the quarters are equal, the days and dates agree from year to year, the holidays are permanently fixed and it won't be necessary to make up a new book for each year. But until then, the sad-eyed president of one of the larger companies will continue to advise young men who seek big money in the diary business.

"Your money would be safer if you went out and bought a mutuel ticket at a race track."

Impresario of the Flagpole

AN ECCENTRIC millionaire in a southern city, feuding with the mayor, decided to show him up by buying a taller flagpole than the one at city hall. He appealed to William Johnson, brawny 46 year old president of the American Flagpole Equipment Company, Inc., of New York. Johnson obliged by making him a 137 foot masterpiece which topped the city's pole by 12 feet.

Johnson, a former steeplejack, will make any kind of flagpole desired, complete with trimmings, which include balls, brass eagles, and cutouts of roosters, dogs or what-have-you. His steel shafts may be found from Sweden to Singapore.

Since he started this lofty business 11 years ago, Johnson's firm has made more than 30,000 flagpoles. They range from ten foot sticks for homes to the 190 foot tubular steel cloud-piercer at the U.S. Merchant Marine Academy at Kings Point, N. Y. (shown at right).

The Government was Johnson's biggest customer during the war, buying hundreds of poles of all sizes to follow our Armies. As fast as we wrested a South Pacific atoll from the Japs, one of Johnson's flagstaves was flying Old Glory. Scores of Washington government buildings bear his poles, including the capitol.

When the United Nations was

established at Lake Success, he provided 58 poles, his largest mass order. The day after the State of Israel was declared, he filled orders for dozens of poles to fly the Star of David flag. And recently, he installed the fifty-ninth pole at the U.N.—for Israel.

A few years ago, Johnson, who also services flagpoles, contracted to paint 200 poles on New York's municipal buildings. He condemned a score of them, including four on city hall. The day after they were replaced, the Department of Buildings called:

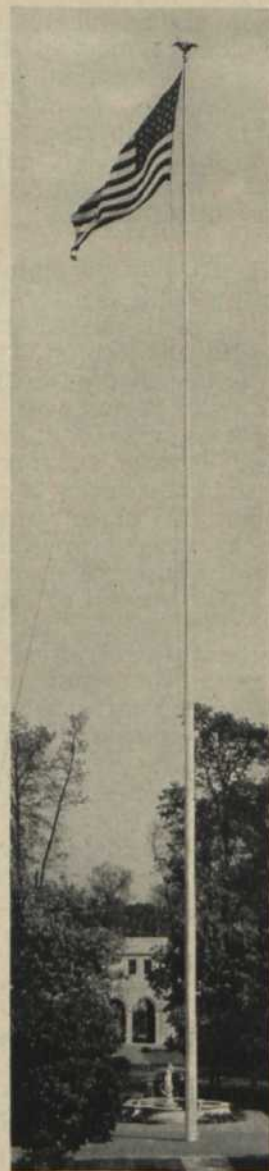
"One of your poles is tipping over. Mayor LaGuardia is fuming."

Johnson rushed down to investigate. "It's not the flagpole that's out of alignment," he assured the nervous mayor. "It's your building that's out of plumb from old age."

Several years ago, he won the bid to remove a wooden pole split by lightning from the roof of a 43 story office building. The pole went through a tower and protruded 30 feet skyward.

The day he started, the manager was swamped with excited calls from people in adjoining buildings. "Your flagpole is falling through the roof!" one exclaimed. The manager raced to the tower. There he found Johnson's men sawing off a foot at a time, and lowering the big stick into the tower!

—PAUL D. GREEN



U. S. MERCHANT MARINE ACADEMY



To YOU Mr. Sales Manager

When an industrial concern is seeking a new plant site for production or distributing purposes, it's natural for the Sales Manager to ask, "How about available consumer markets and distribution facilities?"

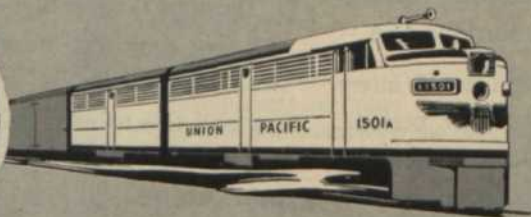
In the eleven states served by Union Pacific . . . from the west coast east to the Missouri River . . . there is a constantly growing consumer market close at hand.

The matter of rail transportation presents no problem. There are many available plant sites on or near Union Pacific trackage.

For new markets, excellent transportation, available raw materials, low-cost utilities, high-grade labor, the "Union Pacific West" merits serious consideration.

.

To obtain complete, confidential information on available plant sites, write Industrial Department, Union Pacific Railroad, Omaha 2, Nebr.



BE SPECIFIC: *Ship* UNION PACIFIC

WESTINGHOUSE ADDS A NEW TO FLUORESCENT *the* FLUORESCENT SUN LAMP

ANOTHER WESTINGHOUSE FIRST
*For the first time . . . Fluorescent Installations Can
Combine Light for Seeing and Sunshine Ultraviolet*

Here's a totally new kind of sun lamp . . . different from any ever made! At last it's practical to *bathe a whole room* with cool ultraviolet rays that stimulate health-building Vitamin D, or to provide sun-tanning intensities for personal applications of short duration.

In wide-area radiation, lower intensities are utilized for longer periods. Thus in general offices, factories, schools, homes, amusement and recreation areas, everyone can easily and pleasantly get a full measure of beneficial ultraviolet while at work or play. For

quick individual sun tanning, such as in your own private office or in your home, the use of inexpensive lamp holders or reflectors provides a convenient means for you to get a real tan!

The lamp has five times the efficiency and four times the life of the conventional sun lamp. And it costs less to buy and less to run! Be first to enjoy this *exclusive* Westinghouse development. Ask your lamp supplier for more details . . . or merely mail the coupon at the right. Lamp Div., Westinghouse Electric Corp., Bloomfield, New Jersey.



DIMENSION LIGHTING

OTHER

Westinghouse Developments

**SAVE $\frac{2}{3}$
ON LAMP COSTS**

Leadership in fluorescent lighting is not limited to the amazing new sun lamp. Take the regular line, for example. The life of the Westinghouse fluorescent lamp has been extended $66\frac{2}{3}\%$. They will last $2\frac{1}{2}$ years in average store installations, 3 years in average one-shift factory or office installations. You save $\frac{2}{3}$ on lamp costs, and $\frac{2}{3}$ on time spent replacing burned-out lamps!



Lamp Div., Westinghouse Electric Corporation,
Bloomfield, N. J.

Please supply—

- ☐ More information on the new Westinghouse fluorescent sun lamp.
- ☐ More information on the long-life Westinghouse fluorescent lamps.

NAME.....

COMPANY.....

ADDRESS.....

NB

Check and Double-Check

By TOM DAVIS

ONE RECENT night the office of a small eastern steel plant was robbed. At first glance the job was only a commonplace burglary, with little of value missing.

But, a few days later, the company got a telephone call from its bank. Its payroll account was overdrawn.

Puzzled officials hurried down to the bank to find out why. They found a pile of checks, made out on the firm's own blanks with a checkwriter. But the payees were fictitious. The office burglary took on a new importance.

A check of employee rolls showed that a man with a record as a check artist had quit his job as a laborer shortly before the robbery. This information, and the fact that a checkwriter had been used, narrowed down the search.

The checkwriter had been manufactured by the Todd Company of Rochester, N. Y., and George W. Adlam, the company's insurance manager, was called on for help. Since each machine manufactured by the concern carries either a number or a company name which becomes part of the embossed amount line on every check the machine writes, it was easy to locate the original owner of the checkwriter. He reported that he had purchased a new machine sometime before and had sold the old machine to a secondhand dealer. When located, this dealer identified a picture of the suspect as that of a man who had rented the machine. He had the address. The rest was routine.

Forgery, of course, is not a new racket, but burglary to get authentic checks to forge is the latest of a continuing series of innovations that keep the job of check protection from becoming monotonous.

Nobody knows how many bad checks are cashed each year because almost every successful forgery means that somebody made a mistake that he isn't too eager to admit by reporting to the police. Frequently, too, the forger is an amateur and friends, relatives or



Burgess Smith, left, in charge of research, goes over a printing problem with Walter Todd

George W. Adlam, insurance chief, studies a forged signature on a payroll check

business associates handle the case without publicity. However, enough of the estimated 6,000,000-000 checks used annually are worthless to give forgers and embezzlers a take of approximately \$400,000,000.

How much more it might be if forgery were as simple as it once was is debatable because the public is notoriously careless in handling its money and the volume of business transacted by check has multiplied many times in the last two decades.

The first man to bounce a negotiable instrument didn't get into the history books but by 1899 he had enough imitators to attract the attention of George W. and Libanus M. Todd. In those days checks were fewer but a handy penman could step into a bank,



buy a draft for \$2 or \$3 and then raise the figure.

The Todds, with Charlie Tiefel, a skilled toolmaker employed by the brothers, undertook to make this way of life obsolete. Working in a Rochester woodshed, Libanus and Tiefel whipped up a device they called a Protectograph, which embossed the approximate amount of the draft, or check, into the paper in a way that made the letters part of the paper.

George Todd undertook to sell the device to banks which had been repeatedly "taken" for sizable sums by "check artists," but which had become skeptical of preventive measures, including "safety" paper tinted so that altered figures would show. This so-called safety paper failed to incommode anyone ingenious enough to leave the original figures and merely add ciphers. Next, the banks tried punching the figures in the paper. Crooks, with a precision which might have taken them far in the machine tool industry, filled in the holes and punched others to their liking.

Enough bankers tired of this so that, at their convention in Richmond, Va., in 1900, George Todd was able to obtain orders for some 50 of the machines his brother and Tiefel were turning out.

THE company was in the forger-fighting business for keeps. In the past 50 years it has produced insured fraud-preventing checks, checksigners, payroll systems and other safety devices. It has not yet produced a way to make people protect themselves.

"Today's best checkwriters, signers and guaranteed safety paper are virtually foolproof," says George Adlam, "but no scientific barrier can adequately protect the company which fails to control that equipment."

Not long ago a railroad awoke to the fact that a flood of imitation payroll checks was rolling down its right-of-way. Beyond the fact that they were printed on safety paper—available to almost anyone—the checks had little resemblance to the real thing. Some of the words were misspelled, the signatures were not those—or even the names—of company officials. But merchants who cashed the worthless paper were indignant when the road refused to make them good.

The crooks moved from town to town along the rail line, cashing checks ahead of police efforts to warn storekeepers. Adding to the gaiety of the chase were a few checks left temptingly in "lost"

pocketbooks by the gang. Storekeepers, finally alerted, yelled copper when people with better eyes than morals found these and tried to cash them. Sorting these innocents out from among those who actually printed the checks whiled away many hours for everybody before they got that one cleaned up.

THEN there was the former government girl who actually found a bankbook and checkbook in a Washington, D. C., theater. Making the name in the bankbook match that on the federal identification card she still carried, she went on a shopping tour. She had about \$1,000 worth of finery in the hotel room where police finally caught up with her.

For those who cash misspelled checks for strangers or leave their check books lying in theaters, little can be done, but for those who are willing to protect themselves the Todd Company is still developing new tools.

One of these, a Jules Verne concept of Walter Todd, chairman of the board and eldest son of co-founder George Todd, is a check paper that "will jump up and talk." With some tolerance in the matter of definition, such a paper isn't too far away.

Todd got into the check business "by accident," after he set out to demonstrate its first checkwriter. He bought check paper then on the market and gave checks away as a premium in a short-term promotion for its machine. Surprised company executives soon began receiving reorders; a secondhand press was installed and the firm was in the check business.

After a few years the Todd brothers decided to attempt to develop a protected check so safe to use that it could be insured against fraudulent alteration. They heard of a man working for the Government—Burgess Smith, chief of the anticounterfeit laboratory of the U. S. Bureau of Engraving and Printing. Smith, for 15 years, had been creating protection for federal currency and securities.

He went to Rochester in 1919 on a two-year contract and never left. For years now he's been rated the No. 1 enemy of professional forgers and counterfeiters.

A wiry, scholarly-looking man with rather long white hair that sneaks out from under a plain black fedora—without which he is seldom seen—Smith looks like an English professor in a sleepy college town. This appearance is deceiving. Behind the mild manner

**Year in and year out
you'll do well with the
HARTFORD**



**—all forms of fire, marine
and casualty insurance and
fidelity and surety bonds.**

See your Hartford agent
or insurance broker

**HARTFORD FIRE
INSURANCE COMPANY**

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AND INDEMNITY COMPANY**

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**There's Fun for Everyone
in La Province de Québec**

Beginners and experts alike find skiing at its best in la Province de Québec. Wonderful dependable snow, a dry invigorating atmosphere, clear brilliant sunshine make la Province de Québec the winter wonderland of North America. And here you are welcomed with truly French-Canadian hospitality in comfortable modern inns and hotels.

**LA PROVINCE DE
Québec**

For help planning your vacation, or for information concerning the unsurpassed industrial opportunities in our province, write the Provincial Publicity Bureau, Parliament Buildings, Québec City, Canada; or 48 Rockefeller Plaza, New York City 20.

of this man of 74 is the driving spirit of a self-made scientist, whose knowledge of his field is probably unsurpassed.

In seeking a paper that would defy alteration, Smith talked with bankers, paper-makers, chemists, and even with forgers serving long-time prison terms.

Product of his painstaking research was a check which, when tampered with by ink eradicator, developed hundreds of reproductions of the word "Void," canceling it forever. If mechanical erasure were attempted, its intricate surface pattern would be destroyed and could not be restored or counterfeited because, amazingly, *neither of the two printing plates which originally produced it bore any relationship to the complicated pattern which they printed in combination.*

To give added protection, it was

decided to manufacture these checks behind locked doors, with only bonded employees handling the work, and never to allow blank paper to leave the plant—only finished checks. These safeguards were deemed so sure that the company arranged to insure each check user for up to \$10,000 against loss by fraudulent alteration.

BEYOND the bringing out of a paper that will "talk," Smith sees, in the distant future, some way of utilizing electronics in check protection. It is conceivable, he says, that checks can finally be made so that bank statements will be prepared without the human hand.

Meanwhile, so long as checks must be handled, the only safe procedure is to see that they are handled safely. For those willing to listen, Adlam has some advice.

1, More searching investigation

of applicants for employment in accounting departments; 2, safeguarding blank checks; 3, care and control in the distribution of checks on pay day; 4, signing of checks by a responsible executive; 5, bank reconciliation; and, 6, frequent periodic audits. All of the steps should be self-explanatory, with the possible exceptions of Nos. 3 and 5. In No. 3, Adlam advocates that checks be distributed "by as few people as possible in order to keep checks from getting into too many hands" and, in No. 5, reconciliation is the bank return of canceled checks at regular intervals, never less often than 30 days, and oftener where possible, and always by a person other than the one who made up the payroll.

Which all sums up into a neat epigram:

"Check and double-check your check."

The Battle of the Buyers' Market

(Continued from page 33)

on quality, he declared, had enabled the company to meet price pressures on its top line, while the secondary line could be merchandised at prices to meet the competition of cheaper lines.

The president of a furniture manufacturing company in North Carolina—one of the industries in which price pressure was particularly severe last year—also reported an increase rather than a decrease in business. This despite the fact that this is a postwar company, and that several old, established firms had found it necessary to close down for two or three months in the summer because of lack of orders, while many of the other newer companies were finding the buyers' market even more disastrous.

"We stuck to a quality, high-priced line," said this manufacturer, "and developed distribution through decorators to offset the falling off of store orders. We also developed some hotel and institutional business to keep our production up when other orders were slack. We reduced prices somewhat—though it was really little more than a psychological reduction of about five per cent—on standard items, but developed new designs of our own on which we could hold

prices up because there was no direct competition. And by taking advantage of the slightly lower material costs, plus a bonus system which increased our labor productivity, we offset the price reductions that we did make."

This man, operating in a small town, had successfully withstood a union attempt to organize his plant, and believed that a planned further evolution of his bonus system to provide individual incentives would still further insure a rate of productivity that would enable him to meet any new price

pressures. In the jewelry business—one of the hardest hit by buyer resistance—several small, new companies were less successful. Said one New Jersey manufacturer:

"Our business took a big dip, and we had to lay off a lot of help. But we've been getting back better help than we laid off, by the return of topflight workers who set up for themselves in the flush days of 1945 and 1946. Three or four of them started companies in old barns or any shops they could get, but when the pinch came they couldn't sell in competition with the old, established houses."

And so the Battle of the Buyers' Market goes on. "It suits me, anyway," said the head of a large firm which supplies businesses all over the country with letterheads and business cards. "I had the best year ever in 1949. People had to start selling again, and that takes letterheads for sales letters and cards for salesmen."

Yes, business men seem to agree, it is going to take selling to survive in this buyers' market—selling backed up by some careful front-office calculations. Taking that for granted, the foreseeable future holds no serious crisis, in the opinion of at least one leading New York banker, even though it holds no great prosperity either. "No boom, no bust" is what he calls it.



"He's living in the past—says it's cheaper"

Art Done the "Short" Way

IT ALL began some two years ago when Miss Madeleine Keilty bought some white broadcloth shorts as a present for her dad. Since Dr. Charles Keilty was not exactly without beam, there was quite a bit of cloth involved.

"What a shame that so much white space should be going to waste," sighed Miss Keilty.

She always had dabbled in art and just naturally liked to paint something somewhere. Soon she was doing a painting on the white shorts—a couple of savages.

What with Dr. Keilty going to the locker room of his club, and one thing and another, the doctor's shorts became a topic of conversation. Soon, too, people began asking Miss Keilty if she would paint something on their shorts.

Now she's in business putting artistic flourishes on the lower half



of masculine underwear attire. Being an all-around artist and craftsman, Miss Keilty does other things, too, but painting pictures on shorts is one of her mainstays. She has opened a shop in Washington, D.C., to ply her trade.

Miss Keilty has about reached the point where she isn't surprised any more at what people want painted on their shorts. One day a fire official came in and asked for a pair of shorts showing a fireman saving a beautiful damsel from a burning building. He explained he was going to a firemen's convention and wanted to feel in finest fettle.

Being unbiased as far as her artistic work goes, Miss Keilty will paint one of her masterpieces on a pair of shorts on just about any subject one may have in mind.

—HAROLD HELFER

this is no time

to gamble with

your receivables

American Credit Insurance Pays When Your Customers Can't

A HAPPY NEW YEAR? Whether or not 1950 proves to be just that for your business depends largely on your customers. Depends on how much they buy . . . how they progress . . . and most important . . . whether they pay you promptly or pay at all.

If your Receivables, one of your most valuable assets, are dependent on the fortunes or misfortunes of your customers, this threat to your profits and your business should be remedied. An American



Credit Insurance policy will complete your program of insurance protection and minimize this danger.

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J. T. Fadden
PRESIDENT

**AMERICAN CREDIT
INSURANCE**



GUARANTEES PAYMENT OF ACCOUNTS RECEIVABLE

OFFICES IN PRINCIPAL CITIES OF UNITED STATES AND CANADA

There's No Ache Like Barking "Dogs"

(Continued from page 45)

patients, however, were women who wore high-heeled shoes. It is well established, of course, that high heels are the reason women have ten times the sore and aching feet their plodding and low-heeled husbands do. High heels make the ladies virtually stand on their toes, thus saddling the metatarsus with much of the heel's load.

But the basic trouble, Dr. Morton saw, was that the big toe joint, being short, was not picking up the heavy end of the leg. Behaving like the boys at the other end, it was letting the second toe joint take over the extra load. And the second toe joint wasn't up to it. The result was calluses and pain, as Postman Brown learned.

Dr. Philip Lewin, Northwestern professor of bone and joint surgery, recognized this new condition as the Morton syndrome and went further. He pointed out that short-legged persons, men as well as women, can get the same kind of pains simply from continually sitting with their heels up and their toes pressed against the floor under their chairs.

Dr. Morton compared the situation to a table with one short leg. He corrected it in the same way we

often use in steadying the teetering table. He put a pad under the big toe joint. The same result can be accomplished by various techniques—foot inlays, bars on the soles or inner sole wedges—depending on what other conditions may be involved.

At first it appeared that Dr. Morton might have the explanation of a cryptic and dramatic ailment known as Morton's toe. This condition was first described in 1875 by Prof. Thomas G. Morton of the University of Pennsylvania. Morton's toe—often confused with Morton syndrome—is characterized by a shooting pain that seems to rise from between the third and fourth toe joints.

It remained for still another Northwestern orthopedic man, Dr. Robert T. McElvenny, to pin down the cause of Morton's toe. Between the third and fourth toe of patients with the typical shooting pains, he found a white, fibrous tumor encasing the nerve sheath. The tumor ranges in size up to three quarters of an inch long and a half inch wide. Removal, other surgeons have confirmed, produces complete relief of Morton's toe.

The tumor is not present in combination with calluses or corns un-

der the second toe, as commonly occurs in the Morton syndrome; nor is it to blame for flat foot or weak foot.

Actually, there are about 60 different foot disorders. Many could be relieved by one simple thing—a change in shoe size. This was demonstrated by the late Dr. Mahlon Locke, a Canadian physician who won fame in the early 1930's as a "pain killer."

By train, automobiles and on crutches, bone-weary humanity came to the little village of Williamsburg, Ontario, and the home of Dr. Locke. The doctor sat in a swivel chair and the patients approached him along eight radiating paths, like the spokes of a wheel. Turning from one to another, he treated them on the average of three a minute and, at the peak of his popularity, at the rate of 300 to 1,000 a day.

Each patient put his bare feet, one and then the other, in the doctor's lap while the miracle worker twisted the toes. Then each handed him \$1. Following this, patients moved on to get shoes recommended by the doctor.

These shoes, one medical observer pointed out, ran a half size longer and a half size wider than the ones previously worn. Whatever may be said against the doctor's treatment—and plenty was—the increase in shoe size was well advised. Misfit shoes are torture chambers, yet all foot surveys show that at least half of us wear shoes that are too small.

Among 4,000 school children, for example, three of every four had shoes one-half to three and a half sizes shorter than their feet measured. Only one child said her feet hurt. When she got a new pair of shoes, two sizes larger, her whole character changed and her work improved.

Whether shoes are big enough can be easily tested. They should be long enough, Dr. Lewin emphasizes, to provide a space the width of your thumb beyond the big toe. They should be wide enough so that you can run your forefinger under the tongue of the unlaced shoe and over your toes.

Roominess is not everything, of course. Newcomers to factory work learned this during the war. They came in open-toed sandals, sneakers and broken-down dress shoes. Their feet howled. Long standing on hard floors demands sturdy, leather shoes with thick soles and tops fitting snugly enough to support the feet. It also requires some sort of mat or pad to stand on.

Granted, we have come a long



way since the pearl-buttoned, needle-pointed "cripplers" of our grandparents' day. Nevertheless, our feet continue to hurt us.

The way we neglect them is reflected in the scarcity of persons professionally trained in the treatment of common foot disorders. There are about 1,350 certified orthopedic surgeons in the United States. They have the training and skill, but their time and interest is taken up for the most part by major surgery.

EVEN the American Medical Association has deplored the apathy toward ailing feet manifested by the average general practitioner, of whom we have around 100,000. It is to these family doctors that we should take our medical problems, large and small, but Dr. Sumner Koch, Northwestern professor of plastic surgery, points out that of all medical school subjects, "the most neglected is the foot."

We do possess more than 7,000 chiropodists, a large proportion of them with four years of training in foot medicine and surgery at one of the country's six colleges of chiropody. But they are hard to find in small towns and, regrettably, some doctors of medicine look down on the doctors of surgical chiropody. Many physicians, however, routinely send their foot-sore patients to them, and one in four chiropodists works on the staff of a recognized hospital.

Certainly Abraham Lincoln was fond of his chiropodist. Lincoln's left foot measured 12 inches and his right, 12¼. After Isachar Zacharie cut his corns and calluses, Lincoln wrote a testimonial: "Dr. Zacharie has operated on my feet with great success, and considerable addition to my comfort."

One treatment often recommended by the experts will help anyone's tired and aching feet—provided he has no disease impairing the circulation of the blood. This is a contrast bath. You fill one pail with comfortably hot water and another with cold. Alternately, plunge your feet into one and then the other for a minute or minute and a half at a time over a period of ten to 15 minutes.

Approximately the same result can be achieved with a shower hose spray while you sit on the edge of the bathtub and turn the water hot and cold. Afterwards, rub your feet dry and lie down for a half hour. Recommended dosage: twice a day.

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When Terror Stalks Your Town

(Continued from page 36)

armory training a year plus two weeks in summer camp—would be enough for the auxiliary police or the state guard.

"More than enough," he said. "We should be able to produce satisfactory results with two or three training periods a month, and maybe a week in camp every summer."

Some other state police officials are inclined to think that the full National Guard training time will be none too much. But there is pretty general agreement that, as far as auxiliary police are concerned, one of the best training media will be occasional periods of active employment with the regular police force.

IN Springfield, Mass., where a force of 110 auxiliary police is kept up—largely through local enthusiasm—Raymond P. Gallagher, chief of police, observes that "these men have proved to be extremely useful during parades, on the Fourth of July, Halloween and during the week of the Eastern States Exposition, when it is necessary to supplement the regular force of officers with additional help in order to control crowds and traffic." In addition the Springfield auxiliaries have a biweekly training period in police duties and civil defense.

Of course, men and women must be trained in many other phases and functions of civil defense activities besides police duties—but it is hardly too much to say that the police are the cornerstone of the whole civil defense structure, at least on the community level. Unless there is a means of keeping or restoring public order, keeping traffic and evacuees moving, restraining panic-stricken crowds, dealing with saboteurs and looters, the other functions of civil defense cannot be performed.

The training and equipment of the state guard units will doubtless reflect the wider scope of their duties, as contrasted with those of the auxiliary police. The military pattern rather than the civilian will prevail, keeping in mind, however, that it will be the exception rather than the rule for even state guardsmen to face actual enemies. Mostly they will be dealing with panicky, overwrought or misguided fellow-citizens.

The composition and organization of the state guards is outlined

by the Gray Board's report: "State military internal security units should consist primarily of deferred, overage and limited-service personnel and should be formed into units similar to Zone of the Interior Military Police battalions." Such battalions, according to the Army's Table of Organization and Equipment, are intended for "internal security measures in the Zone of the Interior. (They) protect materiel, premises and utilities important to the prosecution of the war, including transportation and communication facilities."

(The Zone of the Interior, in case you don't know, is the home territory of the U.S.A. or such of it as may, in any given set of circumstances, be outside the theater of active operations.) Battalions of this type consist of a headquarters, headquarters detachment, medical detachment and four companies, totaling 635 officers and men. Rifles, carbines and submachine guns are the principal weapons; each battalion, however, is supposed to have five .50 caliber machine guns and 12 armored cars. No less than 51 such battalions were authorized for immediate activation within a week after Pearl Harbor. The more the functions of internal security can be assumed by state troops, of course, the less will be the pressures on combat manpower.

BUT the main point is, that such state troops must be ready on M-Day. In World War II, some states took as much as two or three years after the National Guard had been federalized before getting around to organizing a state guard.

"The real impact of disaster, in war or in peace," says planning coordinator Gill of the NSRB, "is felt at the community level. Countering disaster's effects is first of all a community job. By organizing at that level to meet peacetime disaster, we may establish a useful frame of reference for wartime needs."

Some estimate of auxiliary police needs may be gathered from the wartime experience of Massachusetts. An inventory of state police resources in 1942 showed that there were 9,608 regular policemen and 26,435 auxiliary policemen. The "Statistical Abstract of the United States" shows the total number of policemen, sheriffs and

marshals, at the last census, to be 176,988 in the whole country. If the Massachusetts ratio of roughly three auxiliaries to each regular policeman were to be carried out on a national scale, about 500,000 auxiliaries would be required.

As to state guard numbers, the total strength organized during World War II was approximately 200,000. State estimates of the number of troops required in any future emergency vary widely, running from half as many as in the last war up to five times as many. Probably 200,000 can be taken as a minimum figure.

TO raise, equip and train such home defense forces is going to cost a great deal of money. Ways to keep the cost down are being studied because it is recognized that home defense must compete with the regular armed services, including the National Guard and Reserves, for its share of the national security dollar. Indeed, there is some anxiety—especially in the Pentagon—lest it get more than its fair share, because home defense is likely to be the primary consideration of the anxious citizen—which means the voter.

The efforts of the civil defense planners in Washington have been directed toward arousing community and state consciousness of local needs in this respect, which—with the atomic urgency now stirring people's imaginations—may result in a ground swell of popular demand for federal appropriations for civil defense and internal security purposes.

Costs can be kept down primarily by using outmoded and reserve armament and equipment, which is good enough for the purpose. Going back to the 1942 Massachusetts inventory of police resources, that state listed as police equipment 857 motor vehicles, 378 motorcycles, 56 horses, 74 boats and two airplanes; 384 two-way radio cruiser sets, 554 other radio receivers, and 67 portable transmitters, with an 88 station teletype system; 39 portable light generators; 540 rifles, 2,426 riot guns and shotguns, 142 machine guns and automatic rifles, and 302 gas guns. It would be a mistake to raise new units or procure new equipment, says the report of the Gray Board, "where the result would be a waste of existing organization and skills already available in state police forces and other agencies," and adds that equipment of home defense units "need not be of combat standard."

Uniforms for the state guards

will be required, though not necessarily for auxiliary policemen. "A badge or brassard," General Edson thinks, "would be enough—except that every man ought to be provided with one pair of good Army-type shoes, or half the force will be out of action with sore feet in the first day of active service."

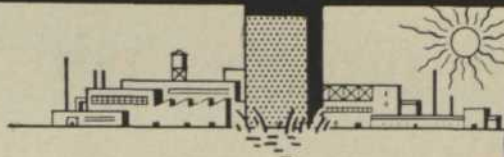
The largest item of expense seems likely to be training pay. And only time will show whether such pay and other inducements (such as the call of duty, interesting training programs, etc.) will produce the numbers required. If not, conscription for home defense may have to be tried unless the international climate becomes more benign. That might mean that every reasonably able-bodied citizen would be fitted into a niche in the home defense organization and required to turn out for training a couple of times a month.

THE speed-up of all military planning which is now under way makes obsolete the words of the President's civil defense memorandum of last March—"I see no need to establish at this time a permanent organization, such as a proposed Office of Civil Defense." Planning must now be translated into definite accomplishment, which means the need for fixing authority and defining responsibility for getting things done. The parallel need for complete cooperation between communities, states and the federal Government poses an administrative problem the like of which has not faced planners since the war.

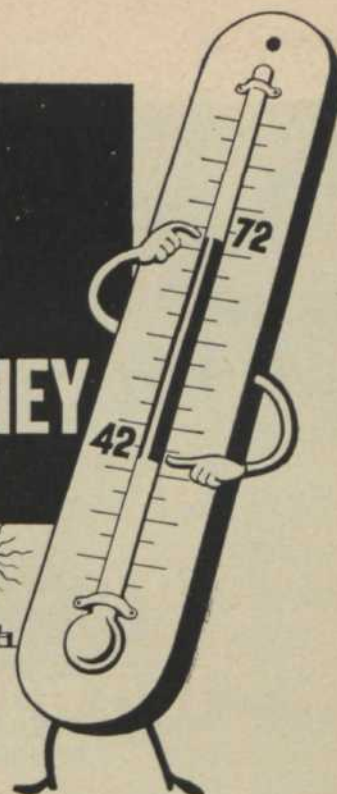
It is a problem which is likely to be solved, however, for it is one in which every person has a direct and personal interest, and to which the attention of everybody has been called by the trumpeting of the atomic headlines. Of course, there is more than personal security at stake. There is such a thing as national security, too—and it won't do us much good to have the most powerful armed forces in the world if the home front which must provide the essential industrial support can be thrown into chaos by internal attack.

Our home front is wide open to such attack today. Our most probable enemy is ruled by men who understand the techniques of this sort of thing better than any other foe we have ever faced. That is why you are going to be hearing about internal security and civil defense for quite some time to come—and probably taking an active part in one or the other of them, as well.

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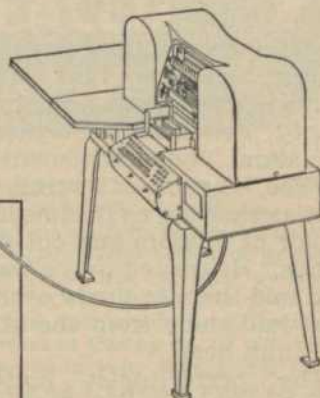
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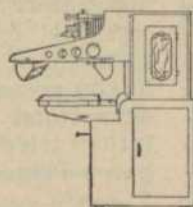


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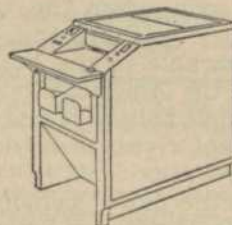
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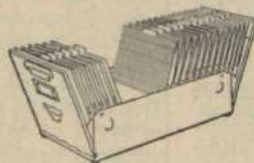


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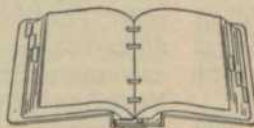


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Fine China—That's Their Dish

(Continued from page 42)

visitor turned to him and said: "This is exhilarating. Such uncertainty! You never know just where you stand. Such excitement!"

"Yes," Lenox answered, "It is just as exciting as if someone took a pair of scissors and cut up your bonds." He turned to the workmen and told them to throw everything that had come from the kiln into the junk heap.

The perfectionist potter, of course, did succeed. The Belleek ware lacked the durability of the finest foreign product but Lenox slowly developed his own formula and soon after the turn of the century was making dinnerware comparable to the best. But even then the American buying public wouldn't believe it and the majority kept right on buying foreign-made ware.

Furthermore, personal disaster was descending on Lenox. He was a bachelor whose manner of living was graceful—sometimes more graceful than he could afford. His clothes, even in the days when he was on the verge of bankruptcy, were impeccable and he was known as something of a Beau Brummell in Philadelphia and New York, where he had many friends in theatrical circles. But soon after the turn of the century, his health began to fail. He was becoming both blind and paralyzed. For a man who enjoyed life as Lenox did, such an illness might have been a shattering blow. Actually, it had the opposite effect on him. He continued to go daily to the pottery and his interest in details of manufacture became more intense as his physical condition deteriorated. Even when he could "see" the chinaware only with his sensitive fingers and when his chauffeur had to carry him pickaback to his desk, he supervised each step in production and ran the business with Harry Brown as his assistant and alter ego.

He formed Lenox, Inc., in 1906 and redoubled his efforts to overcome the prejudice against American-made fine chinaware. Almost at once he got a spectacular break. In 1905 the company had received a large order from Shreve & Company of San Francisco, with a request to get the ware there for the opening of their new store. The order was rushed through and shipped to the West Coast just in

time to become a casualty of the San Francisco earthquake and fire. Except that it wasn't exactly a casualty; it became a proof of Lenox quality. Out of the wreckage was dug a Lenox plate that had been decorated in green and gold. The gold had melted, the green had become streaked with smoke and the design was almost obliterated but the glazed plate was basically as perfect as on the day it was made and its ring was as clear as a bell.

With the blackened plate as Exhibit A in his campaign, Lenox concentrated in the next few years on the most expensive market. One night Harry Brown arrived home carrying, for him, a strange assortment of boxes. He opened them in the presence of his son, Leslie, who stood openmouthed as his father tried on a glistening high hat, a Prince Albert coat, a hand-



some waistcoat and striped trousers. Nothing like it had ever been seen in the modest Brown household. The next day, turned out as elegantly as any British or French salesman, Brown was off for New York, carrying a new alligator bag and ready to do business with the famous firm of Tiffany's, which became the new company's first account.

The encouragement of Tiffany's played an important part in the progress of Lenox and caused other New York and Philadelphia stores to take an interest, but it was not until 1918 that the company received outstanding recognition. Since 1826, Congress had been on

record as requiring that, so far as possible, all equipment for the White House should be bought in the United States. No President, however, had been able to find American-made chinaware fit for the White House table and even Theodore Roosevelt, who had scoured the country's potteries, had to admit that "we are dependent upon foreign factories for the very dishes from which the Chief Executives of the United States must eat."

Woodrow Wilson, who had served in Trenton as governor of New Jersey, finally broke the precedent with the encouragement of his friend, the late James Kerney, Sr., editor of the *Trenton Times*. Wilson ordered a 1,700 piece dinner set costing \$16,000 from Lenox in 1918. Franklin D. Roosevelt followed Wilson's example when he turned to the firm a score of years later to supplement the White House dinner service. The company has also made dinner sets for state governors, presidents of Latin American countries and other dignitaries.

It was introduction of his ware into the White House in Wilson's time, however, that climaxed Lenox's career. He remained in command only two more years. One day in 1919, he called Brown's son, Leslie, who had started work as a kilnsman at \$8 a week, into the office and asked him if he could make a small replica of a kiln out of clay and have it fired. Leslie did and when, some days later, he carried it to Lenox all of the officers and department heads were invited into the office. Lenox got the plant mortgages out of the safe, announced that they had been paid off and burned them in the little kiln. That ceremony, over which Lenox presided with tears glistening in his blind eyes, was the end of one long struggle. It was the end of Walter Lenox's career, too. He died the following January.

The other struggle for position in the American market, however, was only begun. Although Lenox had demonstrated that fine ware could be made in the United States, foreign firms still dominated the domestic market and produced perhaps eight of every ten pieces sold in this country. European ideas of shape and design were paramount and were followed here just as American dressmakers followed Paris fashions.

It took another 15 years, under the presidency of Harry Brown, to break down this tradition. In the 1930's, when the company was still doing considerably less than

\$1,000,000 worth of business annually, designer Frank Holmes began introducing a new style in china that was generally called modern, and represented the first real effort to break away from European traditions. It was clean and simple of line in contrast to the elaborate and often rococo style that had been popular for years in Europe. This modern style, particularly Holmes' severe, unencumbered decorative motifs against white backgrounds, soon attracted attention and by the late 1930's the Lenox trademark was on perhaps one of every four pieces of china purchased by Americans.

World War II completed the transition. It is almost impossible to present accurate figures on production of fine china, not only because most companies prefer not to disclose statistics but also because of the vague manner in which various products are classified. All fine china, for instance, is vitrified, but not all vitrified china is comparable to the high-priced product of Lenox or Wedgwood or Haviland-Limoges. In general terms, however, the war cut off practically all imports of fine china. War work also prevented Lenox from expanding production. But the resulting shortage encouraged a dozen American firms, some new and some established companies which had not previously made fine chinaware, to get into the field. Starting about 1943, the American market went domestic with a bang. For the first time, it attracted big and aggressive capital, put emphasis on modern business methods as well as high artistic standards and felt the full impact of American manufacturing ingenuity, merchandising and sales methods.

Lenox, now under the direction of Leslie Brown, president, chose youthful John M. Tassie, who had come into the wartime steatite department, to be executive vice president and brought in Frederic W. Hoit as general sales manager. With competition mounting among American firms, the old system of having a few salesmen who packed their trunks and toured around to see important customers perhaps once a year was abandoned. Eight sales regions were set up to keep in regular touch with dealers. Merchandising methods such as exhibits, attractive display ideas and publicity programs were introduced. A long-range program of educating women and girls in the use of American-made china was inaugurated and 33 copies of a mo-

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tion picture in full color demonstrating the making of Lenox ware were put in circulation in schools and clubs all over the country. Special training courses were arranged for the sales forces in large stores and a plan was worked out to coordinate china design and style with the products of glass and silver manufacturers in order to increase the harmony of table settings.

But perhaps the most important change broke away from the old European system of selling china-ware principally by the set, which in practice had required the purchaser to invest perhaps \$600 in a lump sum. This tended to limit the market because the average housewife couldn't afford such an investment. The company, however, began putting emphasis on buying place settings of five pieces at prices as low as \$15 or of buying individual pieces.

Further to encourage small purchases, Lenox undertook a system by which prospective brides or housewives can select their china-ware pattern and register it by number at a retail store. Friends may then order as many pieces as they desire of the registered pattern as wedding or birthday gifts. The stores even keep track of what has been purchased so they can advise friends.

Production methods, too, have been radically improved over the years, and particularly since the war, resulting in a striking mixture of the very old and the very new. Nobody has yet improved on the basic idea of the first potter's wheel but today it is run by electricity, a weird instrument called a jiggerblade vastly speeds up the shaping of a plate, a magnetized trough draws impurities out of the "slip" from which china is molded, infrared heat dries the glaze, and the ware is baked on a moving table that circles for 30 hours through a huge, 130 foot tunnel in which complicated pyrometers maintain heat at exact temperatures ranging up to 2,200 degrees Fahrenheit.

Production of fine chinaware is still not foolproof and a considerable number of imperfect pieces are still thrown on the junk heap every day at Lenox. However, modern methods have helped solve the problem of profitable big-scale production to such an extent that it is unlikely that foreign firms will ever again dominate or control the American market. Lenox business, which never quite reached \$1,000,000 annually before the war, is now a multimillion dollar operation.

Although figures on fine china are vague, it is estimated that all

United States production of a quality comparable to the best foreign china will total some \$9,000,000 in 1949, or about ten times the prewar dollar volume. Total imports in 1949, mostly from Britain, are not expected to be more than equal to the over-all American production, as compared to a three-to-one advantage which imported china enjoyed before the war.

Nobody, of course, can be sure just what the future will bring. But with Americans having doubled their share of the domestic market in ten years, experts like Leslie Brown believe that any further postwar readjustment can only emphasize the superiority of methods developed in this country. In engineering, in plant layout, in merchandising and in design the American producers have moved ahead of the field. If proof is needed it can be had from the old-timers at Lenox like William H. Clayton, assistant secretary, who dates back to the era when Walter Scott Lenox had to import two potters from Ireland.

"Nowadays the compliment is being returned regularly," Clayton remarked the other day. "Every week or so there's another visitor with a foreign accent at the door asking to see the plant. Today it's the Europeans who want to know how we do it."

Weak Judges Weaken Your Rights

(Continued from page 30)

In his chambers at the Federal Court House in New York, Judge Medina discussed briefly with the writer the part politics should play in appointments to the bench. Politics, he said, should have nothing to do with the selection of judicial candidates.

"I got on this bench without any politics. I was hardly nominated before I was sworn in. Politics is bad for the judiciary. Judges should be selected on fitness alone—that is, on character, integrity, knowledge of law, and *experience!*"

"Sometimes," he explained, "they will put on the district bench a great law-school teacher without any experience in trying cases. For all his scholarship, this man is not qualified. Practical court experience is needed, too. Character, scholarship, experience, the candidate must have all three."

"Are there many lawyers with a big practice and a large income who would be willing, as you were, to give it all up for a district

judgeship?" the writer asked. (Judge Medina gave up a \$100,000 a year law practice for his \$15,000 judicial post.)

"Yes," he said emphatically. "There's not a man at the bar, however distinguished his position, who would not gladly accept an appointment to the bench—provided he could do so *without being under any obligation*. That's the important point—no obligation. Any lawyer would do it, no matter if he'd been earning \$400,000 a year, if he didn't have to knuckle to anyone.

"It's a great honor to sit on the bench," he added thoughtfully. "And more men are willing to serve the public decently than you realize. But no man wants to compromise with his principles. However—neither party seems to want to give up control of these appointments! It's a big problem."

"What is the remedy?" Judge Medina was asked.

"Get an aroused public to demand some system of appointing

judges that isn't political, that's based on merit only. Missouri—and many other states are studying the Missouri plan—has done just this—in connection with her state court system. Something similar must be worked out for our federal courts."

He added a word of caution about the selection of qualified judicial nominees.

"The selecting and appointing powers should look beyond the applicants. A man of wide experience at the bar, making a large income, isn't going around looking for a judgeship. So, instead of just picking a man from among the applicants—go out and find a strong man and then sell the idea to him. Usually the applicants are earning considerably less than the judgeship offers. The appointment would be a great step up for them professionally and financially. But on the American bench we want the very best material available. We want big men of the bar who are willing to sacrifice their far larger earnings from private practice to serve the public in a judgeship."

The Coal Bin, Water Heater & Southern

(Continued from page 48)

the conductors work their trains standing beside the track, and the engineers peer down from cabs in a balcony overlooking the pike.

On the Eastern Lines, the top brass for such maneuvers is a salesman who on Thursday nights becomes superintendent of operations. (The club president is a printer in everyday life, but his is an administrative role and he has no finger in running the road.) A daytime office manager backs up the super as trainmaster, and a schoolteacher serves as chief dispatcher.

Not all the 50 or so members of the club care about operating jobs. Some get their fun out of building and maintaining the right-of-way and scenery or the 500,000 foot maze of electrical circuits.

The Westchester club bills itself as the "largest model railroad in the world," and although this claim may be open for argument, it is certainly one of the biggest. It does not, however, have some of the frills other clubs have added, such as sound effects or lighting effects which can be controlled to give the illusion of night and day.

Nor is it the only club to have such an appropriate setting for its quarters. The Rome, Ga., club is housed in an old passenger coach

donated by the Southern Railroad. The East Bay Model Engineers' Society in Oakland, Calif., which ranks with the Westchester club as one of the biggest, is surrounded by the busy and noisy transfer yards of the Santa Fe and Southern Pacific railroads.

The clubs may be the big cinders in model railroading, but the real ballast in the hobby is spread out along the right of way of nearly 70,000 home railroads. These are the lone-wolf pikes on which, of an evening, the relaxing business man, professor, clerk or salesman is an engineer, conductor, yardmaster, dispatcher, switchman and gandy dancer, all rolled into one. The average individual spends about \$105 per year on his empire, owns 100 square feet of right-of-way, and has four locomotives, about 50 freight cars and ten passenger cars.

On one extreme, he may get so seriously involved in the hobby as to build a special room just to house it. Carl Allen, an Appleton, Pa., jeweler, has a home railroad that is as elaborate as many club pikes. It copies a real-life coal-hauling road to exacting detail, and its photomural scenery outdoes most group operations.

On the other extreme are little outfits like the four-by-five-foot

railroad jointly operated by Mr. and Mrs. M. A. Pratt in Porterville, Calif. Their sole motive power is a dockside switcher, and it is likely to catch up with its own cabooses if all the rolling stock is coupled on at the same time.

The methods under which these home roads operate are subject to individual whims. The sticklers for realism are just as intense about their game as a chess player is about his; there are also those who stick tongue in cheek while they letter engines and cars with fantastic road names like "Tiny and Temperamental."

HOW does a banker, for instance, get sidetracked into spending his evenings with little railroads instead of relaxing over a tall, cool statement of liquid assets?

It can happen in any number of ways. Maybe he spots a model railroad hobby shop window display as he strolls to the 5:15, and winds up taking the 6:30 with a \$1.95 boxcar kit to try out. Maybe somebody talks him into taking a look at a club railroad on operating night, and he suddenly gets the urge to hang his name on the extra board.

Or—and this is a common failing among fathers, both in fact and prospective—he starts out to get a toy train for junior, and the first thing you know, junior is out on a blind siding while father elects himself chairman of the board with hand on the throttle.

The railroads, needless to say, encourage such goings on. A model railroader who goes traipsing about the country is likely to ride a train. If he should get a chance, someday, to ride in the engineer's cab, he has reached a model railroader's Valhalla.

Witness the case, for example, of David Mannes, 83, director of a New York music school, a railroad buff since he was a youngster. Mannes talked himself into riding a New Haven electric engine from New York to Westport, Conn., recently and figured he dropped about 70 years from his life.

Men who ride the engines and cabooses every day for a living often feel the urge to run their own railroads in their off hours. And there is the ironic opposite in Altoona, Pa., a city whose main reason for being, perhaps, is the Pennsylvania Railroad and the Horseshoe Curve.

Altoona has a busy model railroad club, but at last count, however, there wasn't a single Pennsylvania Railroad man on the roster. All hands are business men.



"Yes, T. W., business is a great thing. I've arranged some of my best foursomes right in my office"

Is America Losing Its Youth?

(Continued from page 27)

America thinks to hold its youth by any such means, it will not only lose it, but ought to lose it.

The American standard of living—it could be a lordly phrase, but usually it has been anything else. Usually it has meant 40 acres and a mule; a chicken in every pot; two cars in every garage; time and a half beyond 36 hours; four per cent quarterly plus a stock dividend; 90 per cent of parity; \$1 a year salary and \$50,000 bonus at Christmas; a new car on Tobacco Road and a fleet of new limousines at the country club; with a tombstone bigger and fancier than Grandpa's at the end. The American standard of living—giggle, gabble, gobble, and git!

Yet it could be a lordly phrase. It might be read to mean the standard by which great Americans have lived greatly. "We have erected a standard to which the wise and honest can repair," said George Washington, "the event is in the hands of God."

Not quite—the event, to some extent, is in the hands of the generation whose privilege it is to indoctrinate modern youth in the real meaning of the American standard of living. The event depends, in considerable measure, on how wise and how honest that elder generation is; for if it is lacking, it will not be Washington's standard to which it repairs.

If you call the American standard of living the standard by which the men who founded the republic lived, it is hard to find exponents of it figuring prominently in the public affairs of the past few years. For we have been living, in spirit, on the yield from spiritual investments made by our ancestors—the institutions and traditions devised by ingenious and daring thinkers who were as far as possible from mere stockholders, and not merely managers of a going concern, but promoters, taking large risks in the hope of great gains. Because that hope was amply justified by subsequent events, we have fallen into the habit of thinking only of their wisdom, seldom of their daring.

History teachers tell their students that "The Federalist" is a commentary on our system of government so wise, so clear, so conclusive that a better one has never been written. Two of its three authors, John Jay and Alexander Hamilton, are among the heroes of

modern conservatives, and the third, James Madison, bore to the leading radical of his day, Jefferson, somewhat the relation that Truman bears to Roosevelt. Yet when "The Federalist" was written our system of government did not exist; the thing is not a report, it is a prospectus, a promise of what might be, not an explanation of the existing situation. In other words, even the most conservative Americans of the time, such men as Jay and Hamilton, were but mildly interested in preserving what they had, and enthusiastic only over what the future promised. They

I hold it to be our duty to see that the wage-worker, the small producer, the ordinary consumer, shall get their fair share of the benefit of business prosperity. But it either is or ought to be evident to everyone that business has to prosper before anybody can get any benefit from it.

—Theodore Roosevelt

looked ahead with brisk confidence, and security seemed far less important than opportunity.

They did not lose their youth. On the contrary, they consolidated and inspired it amazingly, and there was something about them that young men respond to down to this day. The rising generation in 1787 was facing a colossal task, as these men knew. An untried concept of government was to be tested on a scale without precedent, and only resolution linked with daring could possibly carry it through.

That was the standard of living these men set up; not existence well fed and well clothed, the life of contented cows, but a life of divine discontent, a fixed belief that nothing exists that cannot be improved, an assurance that the Golden Age is not in the past, but lies far ahead.

The rising generation of 1949, like that of 1787, is facing a colossal task. The resurrection of despotism, of which Russia is only the latest and most powerful example, is forcing us to put to the test untried concepts of government, which only resolution linked with daring can possibly carry through. We should be bracing and fortifying youth to meet that strain; but

there is not much in the public record of the past five years to prove that we are doing so.

We are providing the sword. There is no doubt about that. We are spending \$15,000,000,000 a year on weapons. The question is as to what we are doing to nerve the arm that must wield the sword. We have raised a terrific hullabaloo about spies, but that doesn't encourage the men who must hold the front line. We have contrived to generate such suspicion of scientists that the mere fact that a man is a physicist—nay, the mere fact that he is a student who wants to study physics—is regarded as excuse enough to set gumshoe artists to peeking through his keyhole and hiding under his bed. That instills courage in nobody.

With our multiplied audits and investigations and replevins we have encouraged the notion that every business man who deals with the Government is a crook, and with our loyalty oaths, that every jobholder is a traitor. It would be a strange young man who is emboldened by all this.

Most depressing of all, we have contrived one of the most spectacular achievements of applied science, and it has frightened us out of our wits!

As it happens, one of the chief architects of this republic had done a similar thing, but with what a different feeling! When the Constitution was drafted Benjamin Franklin was 81, which cannot be construed as youth in any man's language. When he was 46, certainly not an adolescent, he had flown a kite into a thunderstorm, and was all but knocked right through Saint Peter's gate for his pains. He had tapped a source of power of such magnitude that its like had never been known in the world before. Of its nature he had little idea, and of its extent none at all, except that it was very great. In his jarred and quivering physical frame, when he came to and picked himself up, he had proof that it was dangerous and there was every reason to believe that it could wipe out human life.

But in his autobiography he mentions it only to record "the infinite pleasure I felt in the success of my experiment."

Think what is implied by these two facts: when old Ben drew lightning from the clouds he rejoiced, but when we drew even more powerful lightning from the earth, we fell to wailing and breast-beating.

Ben had no doubt whatever that electricity brought under man's

control would be used by him to ameliorate and improve the conditions of human life. With a few honorable exceptions we seem equally assured that atomic fission brought under man's control will be used to wipe out civilization and perhaps human life. Ben saw that his discovery was likely to destroy the physical conditions under which he had lived, and the prospect pleased him for he expected something better. We see that our discovery is likely to do the same thing, and we tremble because we are sure that whatever follows must be worse.

No generation fearful of change, distrustful of the future, skeptical of the possibility of improvement, ever retained its grip upon youth. But the blame does not lie upon youth; it lies upon the elder generation that has let the years steal away its ardor and courage, and in so doing has fallen away from the standard adhered to by the men who made this nation great.

Almost 100 years ago Theodor Mommsen published in his "History of Rome," a comment that seems curiously applicable to the United States today. In 265 B.C. Rome was faced with a critical decision. For two and a half centuries the city had flourished until it dominated all Italy; but the aggressive imperialism of Carthage had been spreading even faster, and now it threatened Sicily, whence the Mamertines appealed to Rome much as Europe appeals to us today. Isolationist sentiment held that the challenge of Carthage should be declined, and it was so strong that the Senate could come to no decision, and only the intervention of the popular assembly, the burgesses, turned the scales in favor of a great destiny.

Mommsen's comment is, "It was one of those moments when calculation fails, and when faith in men's own and in their country's destiny alone gives them courage to grasp the hand which beckons to them out of the darkness of the future, and to follow it they know not whither."

The hand that beckons out of the darkness of the future is a terrifying apparition to the middle-aged and elderly, unless they happen to be as young in spirit as the men of 1787. But the gaffer who, like old Ben Franklin, has what it takes to step up and grasp that hand, is the only man who can turn American youth away from both statism and communism and inspire it to repeat the American triumph in a larger field and to a more glorious end.

SO THEY SHALL HAVE *Music*



IT'S S. R. O. every Sunday in Dayton, Ohio. At least it is at the Art Institute while the afternoon musicale series is in sway. Whether it's the Inland Manufacturing Company's Children's Chorus or the All-City Elementary Orchestra doing the honors, the event goes over big—often calling for a second performance.

Four years old this month, the series is the winter portion of a year-round musical program made possible by the financial assistance of Dayton's business men, working through their chamber of commerce. It started when these civic-minded men decided to put life into their organization's precept that "trade and commerce are futile unless the lives of a people are enriched thereby."

Such contributions by business men to better living can and do take many forms. In one community it may be an auditorium they helped make possible. In another, a playground or a park. Or it may be a library. Regardless of what it is, you find, most often, it has been sparked by business men working together through their chambers of commerce.

You will find it easier to participate in such projects if you work with the business and civic leaders of your community. So, if you aren't already a member of the team, get in touch with your chamber officials. They will give you full information.

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Why Europe Can't Come Back

(Continued from page 39)

overpopulation. We might do well to send millions of our people to our dominions. Canada and Australia might become other Americas."

He is convinced that such drastic measures will be needed, that U. S. aid alone can't improve matters. "There simply isn't enough Marshall plan aid," he says, "and probably your country will tire of sending it, too."

France I found in the midst of the same frantic effort to lift itself into production through nationalistic legislation. The humblest people seemed to be concerned about this complicated economic matter. For example, I noticed a bit of serious political thinking on the wall of a street lavatory near the Gare St. Denis in Paris. It was this: someone had affixed a sticker declaring, "A distributive economy means peace." But a later visitor had crossed out the word "distributive" and written above it "productive."

One of my friends, a Parisian who worked for years in Saigon, the "Little Paris" which is the capital of French Indo-China, put a finger on the basic cause of France's economic difficulties. A tall, handsome, empire-builder sort of a man, who was not afraid to be hard on himself or others, said forthrightly, "We are simply losing our wealth. Eventually France will have to treat Indo-China and the others as sovereign powers. Naturally this will make us poor."

I knew that was true. In French Indo-China, in 1948, I had seen the Europeans fighting a losing battle to hang onto this colonial treasure house. During the war I had seen separatist nationalism flaring amongst the French colonial subjects in Morocco and Algeria and Tunisia, and even in the small, but rich, Pacific island of New Caledonia.

Nationalism in her empire had kindled a minor reflection in the mother country. Although at first France had seemed relatively free of hidebound nationalistic restrictions, as time went on I could see that there was an enormous amount of red tape. The Champs Elysées might have its share of American cars, but tradesmen simply went nuts trying to comply with all the regulations for import-export. Like the Dutchman I met

on the Amsterdam-Paris train, Frenchmen in the import-export business were frustrated and confused, and two of them lugubriously told me of their woes. Like the Dutch, the French seemed to have their share of "bureaucratic idiots" trying to make up for loss of empire by an excess of control at home.

My white collar friends in Paris, mostly newspaper men, were apprehensive about the Marshall plan, too. They too thought it was not enough. Even with the large Marshall subsidies, said one polylingual journalist, France didn't seem to be regaining her old economic strength. Despite the fact that the United States was giving France the money to buy tractors and other farm machinery, prices of her farm products remained high. Moroccan oranges and beef, for instance, no longer came dirt



cheap, because Moroccan laborers now had to be paid more dignified wages, just as Morocco had to be handled with more deference to her nationalistic aspirations. France, like England, said my newspaper friend, must make up for the loss of her imperial power by greater productive efficiency at home. The next logical step he also mentioned: that France must be integrated into a European free-trade union if she is to survive. And he worried about the continuation of Marshall plan aid until such time as a United States of Europe could be formed. Unlike my hardheaded Dutch acquaintance

on the train, he believed that the western European nations might be able voluntarily to form such a union.

But when I got to Switzerland, I wondered if the nationalistic little countries of Europe could ever reach such a goal. Talking to one of the smaller watch manufacturers, a sober, hard-working entrepreneur, I heard a tale of increasing, rather than decreasing nationalism. Since 1947, I was told, Great Britain, the Netherlands, Norway, and Sweden (besides 26 other nations of the world) have imposed more and more stringent restrictions on the importation of Swiss watches. The Swiss, who depend on their great manufacturing skill to support them and their small, free-trading country, were genuinely alarmed.

Journeying from Switzerland to Holland by a Rhine River boat, I saw another distressing evidence of Europe's nationalistic compartmentation. When we reached the Dutch border, teams of customs guards went through every fold of our luggage. They were looking for smuggled Dutch guilders.

The Dutch Government tries to erect an airtight barrier against currency being brought in from Switzerland, a free-money market. Not only do the Dutch go over your luggage with careful fingers, and require you to fill out a currency declaration (which includes valuables like watches and rings), but they check over each of these items carefully when you leave the country, and you must have a receipt for every bit of currency you've cashed or changed during your stay.

In Holland I heard the most pessimistic views (again, only amongst the business man-white collar types) about the future of Europe. This might be expected because Holland has been hardest hit by the loss of empire. Her population, now 10,000,000, has been enriched for 100 years by her East Indian territory (with a population of 70,000,000). Now her grip on the empire has slipped greatly with the rise of the Indonesian Republic. Holland is left with a small European territory: a minor agriculture centering around flowers and cheese, an airline, KLM, and a group of steamship lines. Without Marshall plan aid, the Dutch would probably have trouble maintaining even these activities, for the Indies oil, rubber and sugar are sliding away.

One of my friends, a Dutch executive, said that American assist-

ance was meanwhile maintaining a false face of health on Holland's shriveled economic body. "Through the Marshall plan, people here have got used to a lot of comfortable things. After the war, they were used to getting along on nothing—nothing to eat, no clothes, nothing. Now they're getting used to having something again, thanks to the Marshall plan. But if the aid is withdrawn, they'll collapse."

"The best thing for Holland would be a restoration of the old free trade in Europe as before the first world war. If such a free-trade system could be created, Holland might suffer for a while, but eventually she would learn to stand on her own legs as a trading power. She might never again be as wealthy as in the old days, but she would at least be self-dependent."

Going on from Holland to traditionally neutral Sweden, I was surprised to find that my Swedish acquaintances shared many of the views of the French, British, Dutch and Swiss on the future of Europe. A quite common view amongst the dispassionate Swedes was that America would eventually weary of the Marshall plan gift system and leave Europe to her fate—which consisted of being united under a drab Soviet dictatorship. The Russians, it was indicated, would take over by their usual system of civil war and revolution if possible and by military invasion if necessary.

I WAS surprised to find that the Swedish business men whom I met were desperately interested in European trade, and anxious to overcome the petty nationalistic restrictions which hindered it. A Swedish banker (retired), with whom I visited, seemed to be very much concerned about the snarl-up of German trade in the red-tape of the continuing military occupation. He said the Swedes were very anxious to trade with America, but the tangle of European trade regulations was holding down their productivity and therefore keeping up their costs. An acquaintance from northern Sweden, a young plutocrat who owns a wood pulp producing firm, told me he could no longer compete with American pulp producers; their prices were always lower and trade regulations were largely to blame.

Coming back through Denmark, I was told that this small beneficiary of the Marshall plan was also apprehensive about America's maintenance of the European aid program. A handsome young Danish wholesale fabrics dealer, rid-

ing on the train from Copenhagen through Germany to Holland, told me again what I had heard and seen in Denmark's capital city; that the country's small-scale economy was being maintained only by a narrow margin of safety—and this only because of American aid. Denmark, he said, was comfortable (despite butter rationing because of heavy butter export)—but if Marshall plan aid was withdrawn, she might fall well below the subsistence level and, in that case, might easily fall prey to Russia's infiltration. Even Denmark, he said, was suffering from the loss-of-empire blues: Iceland and Greenland had not been very productive imperial possessions, but even so they were worth something—and Iceland was pulling farther away from the mother country, gaining an increasingly large measure of independence.

I AM no economic expert, but on a basis of the things I have seen at random in Europe and her former empire, and because of the quite consistent opinions of the business men and professionals I met in Europe, I would like to venture an opinion, an amateur solution.

This solution is that we must continue with our aid even if it drains our pocketbooks severely—and that we must use our Marshall plan lever to force some kind of European union. Only by forming some such union, it seems, can Europe hope to become solvent. So far, Marshall plan aid has helped to push back communistic influence even in a Europe which is being artificially maintained by outside help. But to make sure that communism won't creep over the continent and cut us off forever from that motherland, we must help to arrange a more permanent kind of bulwark—sound trade.

With her empires slipping away, Europe must have some strong, positive, coordinated help in streamlining herself, in doing away with her internal partitions. Maybe we can bring about, by strong concerted action, a uniform currency, an abolition of tariff barriers. Maybe we should throw our weight around more, rather than less, in Europe. Better a *Pax Americana* than a *Pax Russica*. If we're going to continue sticking our necks out to the tune of \$6,000,000,000 a year, why not stick them all the way out? At that, it's a good deal cheaper than retreating into an isolationist shell, and having to do the job again after a full-scale war sometime in the future.

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By My Way

By R. L. DUFFUS



Almost half over

I KNOW that the arrival of the year 1950 does not mean that the twentieth century is half over. That moment will not arrive until midnight next Dec. 31. This matter was threshed out 50 years ago, when some said the nineteenth century ended on Jan. 1, 1900, and others said it didn't end until Jan. 1, 1901. For a while the country seemed on the verge of civil war but the 1901 people were in the majority and the 1900 people gave in peaceably, as folks ought to do in a democratic nation.

All centuries look better when they are past. Some persons are homesick for the nineteenth and I suppose others will be for the first half of the twentieth. But it is more fun to look ahead. I shall hold a high opinion of the remaining 51 years of the twentieth century until and unless I am proved wrong.

Merriment and happiness

WE WISH each other a Merry Christmas because Christmas is a single day and merriment can be sustained that long. And we wish each other a Happy New Year because a year generally has 365 days, and with luck we can be happy a good part of that time, even though we are not in continuous peals of laughter. One old-fashioned recipe for happiness is to be disinterestedly concerned about the happiness of others. I hope we can all manage that this year.

Crazy, in a nice way

IN THE year 1856 anybody could go to a post office in British Guiana and buy a certain postage stamp for one cent. Now that same stamp is valued at \$50,000 and the anonymous owner says he wouldn't sell it for \$100,000. It just happens to be the only known example of that issue in the world. If there were a hundred such stamps, each owned by a different person, each would

look the same and intrinsically be the same but each would be worth only a few dollars, not \$500 or \$1,000. This might seem to prove that stamp collectors are crazy. But what fun they do have!



Winter in the country

A NORMAL January in the southwestern corner of New England, where I live when I am not somewhere else, is a beautiful month. There are crisp mornings when the snow lies glistening in cheerful sunshine; there are nights when the stars are more gloriously bright than ever they are in summer; there are long evenings when the storm winds howl outside but it is all the more comfortable in front of our open fire; there is the wholesome exercise of shoveling out 150 feet of driveway; our friends come to see us or we go to see them and either way the welcome is the warmer because there is sometimes a little difficulty in keeping a car on the road; and once in a while the fire house whistle blows two long blasts at eight a. m., thus gladdening children's hearts with the news that on account of weather conditions there will be no school that day. In short, January in the country in this climate is wonderful. I wonder why it is that many people, including my wife and myself, like to come into the city for a few weeks at that time.

The bicycle craze at Smith

I NOTICE that last fall there were 1,484 licensed bicycles on the campus of Smith College at Northampton, Mass., or, as I figure it, a little more than half a bicycle for

each girl student and faculty member. If all the undergraduates who have bicycles each carried another student on her handle bars the whole college could move at one time—though I don't know where it could go to that would be better than Northampton, unless to almost any place in Vermont.

Be this as it may (and I think it will) this statistic is encouraging. I had supposed that the modern college girl would be unhappy if she couldn't drive to class in her own 1950 motorcar, and that she might even demand an airplane or helicopter. She just isn't that effete. If she is sufficiently energetic and high-spirited to run around on two wheels I shall not fear for the future of the republic; or if I do it will be for some other reason.

Mr. Graulein's vacation

PEOPLE who take vacations every year may wonder at persons such as Carl Graulein, foreman in an East St. Louis brickyard, who went to work at 17 and worked 41 years before it occurred to him that he needed time off. Graulein thereupon flew to Europe, looking pleased indeed as he settled himself in his seat. The question is one of comparative values. Was Mr. Graulein's postponed vacation 41 times as enjoyable as an annual vacation is? I don't know, and I can't wait 41 years to find out. But if Mr. Graulein didn't have a good time it wasn't because he hadn't earned it; he didn't have to apologize to anybody as he drifted around gazing at the sights.

A classic in the movies

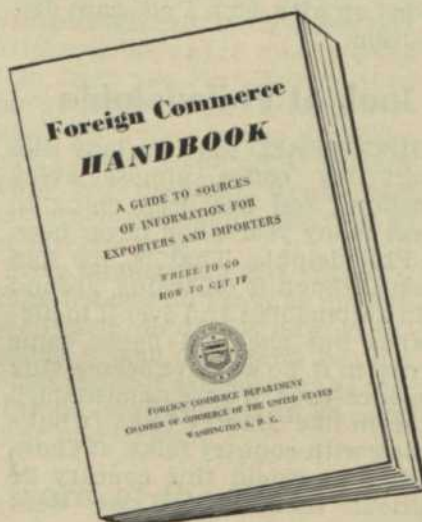
A GOOD job the movies can do, and sometimes do do, is to turn classics into visible dramas. Late this year or early next year, for instance, we should be able to see Stevenson's "David Balfour," photographed on the appropriate spots in England and Scotland, on the screen. But this presents a problem for those of us who have already read the book. We have our own pictures, based on Stevenson's words, of David, Catriona, the dashing Alan Breck and others. The movie will give us different pictures. If we don't watch out we will develop a headache and maybe a split personality. On the other hand, youngsters who haven't read the book will get their first pictorial idea of it on the screen and, if they then read the book, will interpret Stevenson's lively prose in terms of a modern camera. They won't develop headaches or

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split personalities. Maybe we are coming to a time when a new story will be presented simultaneously in three mediums—in print, in the movies and by television. But I shall not feel that the boy who read Stevenson long ago, beside the kitchen stove in winter or under a maple tree on a drowsy summer day, losing himself in the story until he was literally in Scotland, was to be pitied.

No place for Ben to park

BENJAMIN FRANKLIN entered Philadelphia on foot, eating a loaf of bread and carrying another loaf under each arm. That is what he said, a famous man in later days remembering his humble origins. I wonder what he would have done if he had entered Philadelphia or any other big mid-twentieth-century city with an automobile and no place to park. I imagine he would have become famous just the same but he wouldn't have ended up with such a pleasant disposition.

A look at Philadelphia

I **DISCOVERED** that the lady who pours my coffee almost every morning, and has been doing so these many years, had never been to Philadelphia. That is, she had been through it on trains, around it in automobiles and over it in airplanes but she had never come to rest in it. So we have been giving it a once-over. We are not ashamed to seem like country folks (what's wrong with country folks, anyhow, and what would this country be without them?), and we went around in sight-seeing buses seeing sights. . . . Philadelphia is a big city, but it has more horses (so the guide said) than any other big city. It has more trees, too, I think he said, though I didn't count them. . . . It has that old hall in which our forefathers, at some risk to their lives and fortunes, drew up and signed a famous document. It has a cracked bell, of no earthly use to the 2,000,000 people who come every year to see it except to maybe bring a lump into their throats when they read the inscription: "Proclaim liberty throughout the land."

One goes around Philadelphia, which has a traffic problem and all other modern conveniences, and thinks about William Penn and Benjamin Franklin (who seem to be sort of rolled together in most people's minds as a venerable gentleman with a big flat hat, a long coat and knee breeches); and one

wonders what either or both of them would think if they could come back. Benjamin Franklin once wished he could be sealed up for 100 years, like the Sleeping Beauty, and then wake to the new world that would then exist. I imagine he would be surprised at what he would find in Philadelphia early in the year 1950, but my wife and I thought he would like it. Whenever he turned on an electric light he could tell himself: "Maybe I began all this that day I made the experiment with the key and kite."



Honest penny

I **TURNED** a comparatively honest penny the other day. That is, I saw something coppery on the sidewalk, flipped it over to see if it had Mr. Lincoln's picture on it, and took it home. Maybe I should have advertised for the owner. I wish I had found it some decades sooner, when it would have bought me a stick of candy or licorice (a boy felt grown-up and important chewing licorice, because, for all the public knew, it might be a cud of tobacco) and made me happy for an hour or so. Now I am so wealthy that a penny makes little difference to me one way or the other; it takes a dollar—preferably a silver dollar, made in the San Francisco mint, to set me dancing in the street.

The average official

A **RECENTLY PUBLISHED** book called "American Man in Government" says that the average government official is a war veteran of 52, who has two children and plays golf. This seems all right. He is old enough to be steady and sensible and young enough to be energetic. But I am concerned about the future. What are we going to do 30 years from now when he is 82 years old?

On feeding squirrels

I **HAVE** been meaning to check up on Richard Feeney, aged five, whom President Truman last fall appointed official White House squirrel feeder. It was Richard, as the more or less gentle reader may recall, who noticed that the White

House squirrels, which the public isn't allowed to feed, were thinner than the Lafayette Square squirrels, which operated under the private enterprise system. I am not sure whether or not the Senate confirmed Richard in his new post. I think it did, or else confirmation wasn't necessary because the job carried no salary. I don't believe any political issue was raised.

What I would like to know is whether Richard has been faithful to his responsibilities, and whether this has made the White House squirrels as fat as the Lafayette Square squirrels. Or if it has made them fatter and thus tempted some of the Lafayette Square squirrels to become White House squirrels. I hope this has not happened. The Lafayette Square squirrel, earning his living by pleasing his public, is a modest symbol of the spirit which has made this nation great. I would not like to see him discriminated against.

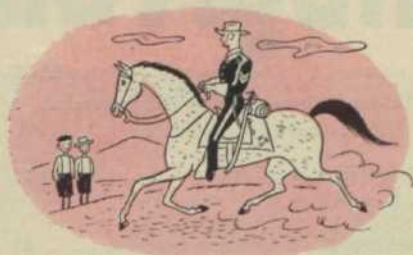
No inflation here

A LOT of things have gone up in price since World War I, and comparatively few have gone down. Yet there are limits to inflation. I priced a sunset the other day—a No. 1 sunset, complete with red, gold, blue and even green trimmings—and learned that this popular model hadn't gone up a single cent since it was first introduced. The same firm (Mother Nature, Inc.) also quoted full moons and constellations of the very best quality at rates which had not risen perceptibly since the business was established.

A hot dog for Akihito

THE Crown Prince Akihito of Japan ate his first hot dog, and word of this feat was immediately cabled across the Pacific. If he eats a sack of peanuts I suppose we shall hear of that. We should—it is news. It is news because a hot dog or a peanut is considered democratic and the time was when a Japanese crown prince wouldn't have dreamed of eating one. But this was not because either a hot dog or a peanut was cheap; the crown prince could have eaten a penny's worth of boiled rice with no loss of standing. No, the essence of the situation is that both these articles of food are ordinarily consumed outdoors in crowds, and neither can be eaten by a man who is on his dignity. When Akihito ate a hot dog and let the mustard run down his fingers he is saying

as plainly as though he were using words that there wasn't and isn't a syllable of truth in the old tradition the Japanese royal family are gods. They're human now, and can enjoy themselves.



The horse cavalry passes

THE United States Army has only 327 horses—maybe fewer, since my information is now several weeks old. There will be no more horse cavalry charges. I don't believe such charges were ever much fun to be in—from my own point of view they were too dangerous because the risk of falling off the horse was added to the usual perils of war. But cavalry on parade was an inspiring sight; I remember how envious we boys were when a troop or so from old Fort Ethan Allen used to come riding through Vermont; we'd have given a million dollars apiece to be horse soldiers, sitting our prancing steeds with easy grace and being admired by our favorite girls.

From all I can find out, traveling in the inside of a tank, as modern cavalymen do, is not half so enjoyable. I wouldn't mind being a soldier today if armies were as picturesque as they used to be—and never had to fight.

A word of thanks

MY WIFE and I have recently had occasion to drive over a toll road several times a week, and we have been impressed by a young man who, when he takes our dime, says thank you as though he really meant it. He can't really mean it because he doesn't keep the dimes for his own use—he is working for wages. But I wish there were more people in public places with that young man's polite instincts. What if all employees of the federal, state and local governments were like that? It would be almost a pleasure to pay one's taxes.

No bad resolutions

NEW YEAR'S has caught me off guard. It came, as usual, before I expected it. Consequently I didn't have time to make any good resolutions. However, I can truthfully say that I made no bad resolutions.

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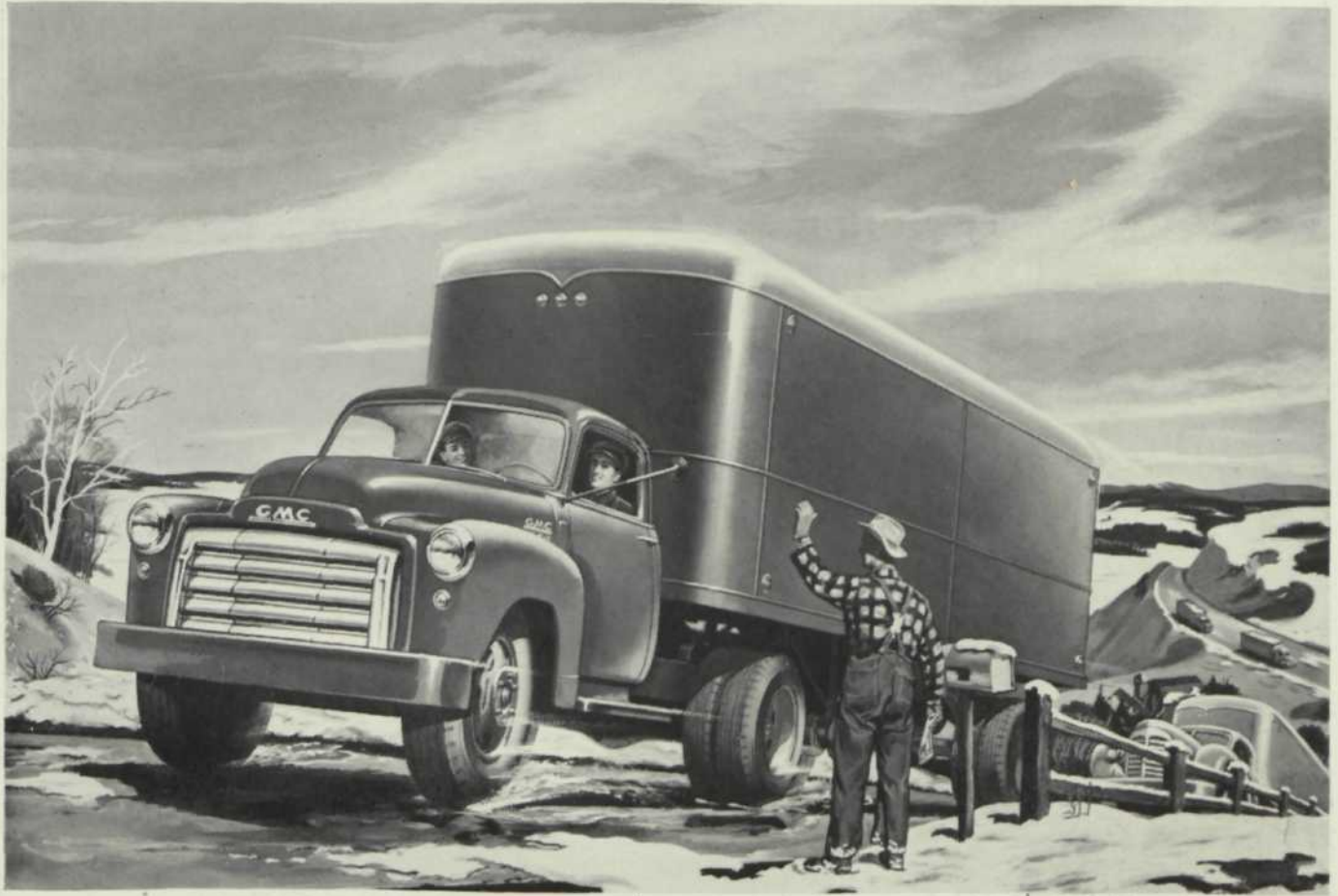
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